

Report of Head of Finance

Revenue Budget 2014-15 and the Medium Term Financial Strategy projections

1 Purpose of report

- 1.1 This report has been prepared in order to provide members with detailed proposals for the revenue budget 2014-15 together with an updated forecast of the projected position for the subsequent financial years. It also includes a proposal in respect of Council Tax for 2014-15 in line with the proposal previously taken at the Resources Committee meeting on 11th December 2013.

2 Executive summary

- 2.1 The Council faces a huge financial challenge to match its current spending levels with the levels of future forecasts for funding. In order to allow for the development and implementation of proposals to meet this challenge the forecast financial position for the next 4 years has been estimated and savings of over £1.6m in 2014-15 have to be made.
- 2.2 Further development of proposals will be undertaken throughout the budget setting process with an aim to implement these through 2014-15 after consultation and agreement with members. Initial ideas for savings proposals are outlined in Appendix 4 with a view to developing more detailed implementation plans and potential further consultations where appropriate.
- 2.3 With this in mind the initial budget assumption for 2014-15 has been based on current budgets and to adjust for any known pressures and savings proposals. This will mean that the Council will continue to need reserves to fund its revenue budget whilst more robust and deliverable savings solutions are developed. However, the level of reserves needed has reduced from 2013-14 as savings proposals that have already been implemented are factored in.
- 2.4 The public has been consulted on the budget proposed for 2014-15, the outcomes of which are shown in Appendix 5 of this report. Consideration of these responses has been made when building the budget for 2014-15, and will be used when further proposals for changes are considered for future years.
- 2.5 The report sets out the proposed budget for 2014-15, considers the medium term financial position and includes the proposed Council Tax for this Council for 2014-15.
- 2.6 It also considers the minimum level of General Fund reserves to be maintained discussed further in the report elsewhere on the committee's agenda.
- 2.7 A further report on this Resources Committee Agenda identifies the proposed

funding of the capital programme for 2014-15 and the subsequent years. Capital issues are therefore not addressed in this report.

3 Appendices

Appendix 1: 2014-15 Budget Analysis

Appendix 2: Pressures and savings included as part of the 2014-15 budget

Appendix 3: Future year's financial projections

Appendix 4: Proposals for future years savings

Appendix 5: Consultation responses...to follow

Appendix 6: Fees and Charges schedule

Appendix 7: Section 25 report

4 Proposed Action:

The Resources Committee is invited to RECOMMEND

5.1 approval of an increase in the Council's Average Band D Council Tax in 2014-15 for Wellingborough Town and the Borough by a % that is marginally below the referendum level, currently 2%, and as such the increase would be 1.99%.

5.2 approval of the Revenue Budget for 2014-15 attached at Appendix 1 and the Financial Plans attached at Appendix 3.

5.3 approval of the schedule attached at Appendix 6

5 Background

5.1 This committee reviewed the emerging medium term financial position at its meeting in December 2013, which outlined the financial challenges facing the Council. The figures presented as part of that report have been refreshed and are shown at Appendix 3.

5.2 Proposals to meet the challenge have started to be developed. However, due to the size of the task it is proposed to use reserves to support the revenue budget in the short to medium term which would give the Council time to review its service delivery methods and priorities, and to implement strategies to manage the funding shortfalls. Further development of proposals will be undertaken as part of the on-going integrated service and financial planning process.

5.3 The report is intended to provide the Resources Committee with the detailed proposals from the Head of Finance in respect of the revenue budget for 2014-15. It also formally recommends the Council's Band D Council Tax charge for 2014-15 in accordance with the proposal at the Resources Committee meeting held on 11th December 2013. The report also provides detailed forward projections for the years 2015-16 to 2017-18 in order that the Council can consider early action to address future years' deficits.

- 5.4 It should be noted that the funding figures for the Council included in the Provisional Local Government Finance Settlement announced on 18th December 2013 should be confirmed in the Local Government Finance Report as yet to be published. No date for this announcement has yet been set but once it has been made the appendices in this report will be updated and re-issued with any amendments necessary.
- 5.5 As yet the referendum level for council tax has yet to be officially announced. The current referendum level is 2%, and the S151 officer has recommended an increase to marginally below that of 1.99% in the Council Tax for 2014-15. Should the referendum level be revised when announced the recommendation will still remain to increase to marginally below the referendum level. However, the % increase will be amended accordingly. The referendum level can be announced at anytime up until the 12th February 2015, when Parliament meets to agree the Final settlement details.
- 5.6 Income from fees and charges will become a key consideration to help meet the financial challenge faced by the Council. Current fees and charges have been, where possible, increased by approx. 2.5% in line with average CPI current inflation rates for the past 12 months (Oct 2012-Oct 2013 average rate 2.6%, Current rate Nov 2013 2.1%). Other fees and charges are limited by statute and as such will need to be reviewed in line with the relevant guidelines. The fees and charges schedule for 2014-15 is shown at Appendix 6.

6 Discussion

The council's priorities for 2014-15

- 6.1 The council set its priorities as part of its Corporate Plan, which also set out five strategic themes that will guide the planning and delivery of services for the people of the Borough. These themes are:
- Promoting high quality growth
 - Reducing crime and anti-social behaviour
 - Improving life chances for young people
 - Delivering efficient and responsive services
 - Enhancing the environment
- 6.2 The corporate plan also outlined how the council will achieve a sustainable and balanced budget for the future. The plan states the Council will be focusing on the following areas of cost reduction and revenue generation.
- Maximising the return from property assets
 - Reducing management and staffing costs
 - Outsourcing services where applicable
 - Generating income from fees and charges
 - Reducing discretionary services
 - Making changes to service standards

- 6.3 These approaches reflect an ambition of the Council to balance its traditional focus on direct delivery of quality services to local people whilst beginning to embrace contemporary models of devolved service facilitation in partnership with private, public and voluntary sector agencies.
- 6.4 The priorities remain the same but the focus is moving towards the need to promote growth, both economic and residential, provide for the welfare and wellbeing of residents, particularly those who are most vulnerable, and also to ensure the residents safety, from a statutory and duty of care point of view.
- 6.5 These new areas of focus link closely to those of our main partners and other public sector bodies in the borough and provide for a more cohesive and joined up response for the future.
- 6.6 A full review of the Borough Council's corporate priorities will take place in 2014-15 and will be used as part of the on-going medium term financial planning, ensuring that all resources are focused on these key areas.
- 6.7 The Council is aware that with the predicted decreases to the level of central government support for the future, it will need to place less reliance on this source of funding and more towards its own locally raised taxes and income. In line with this, revenue spending levels should reflect the ability to raise funding locally to ensure that the budget position is sustainable and stable for the future. It is for this reason that the promotion of both economic and residential growth is paramount to the continued financial sustainability of the council.
- 6.8 In the short to medium term, to allow for the continued development, consultation and implementation of the proposals revenue reserves will need to be once again used to support the current levels of service delivery and quality.
- 6.9 However, the level of general fund reserves is depleting each year as it is used to support the current levels of spending. This is not a sustainable position and changes to the levels of current spending need to be made prior to the 2015-16 budget preparation.
- 6.10 Over the next year the choices and options for the changes to service delivery and quality will need to be further developed and consulted upon, to match the spending levels to the funding available and reduce the pressure on revenue reserves going forwards. These will not be easy decisions and so it is important to allow time for this development to ensure the right solution can be found and that robust decisions on service delivery and quality are made for the future. A considerable amount of work has already been done on this development and it is assumed that the proposals will be able to be delivered within the next 12 months to ensure that the budget position for 2015-16 is secure. Initial proposals are detailed in Appendix 4.

The medium term financial outlook

- 6.11 The Chancellor announced his intentions for the next financial year in his Autumn Statement speech on 5th December 2013. Within this were a number of proposals for helping business growth by changing the business rates payable for a number of businesses. The cost to the Borough will be covered by central government as a grant in year. No analysis of the potential costs or grants receivable has yet been done. Once the figures are known the result will be reported and monitored. In addition to this the provisional local government finance settlement was announced on 18th December 2013 and final figures will be announced shortly.
- 6.12 The total funding from the Department for Communities and Local Government (DCLG) for 2014-15 in the December announcements were £4.593m, comprising of £2.156m for Business Rates Retention Scheme (BRRS) and £2.437m for Revenue Support Grant (RSG).
- 6.13 This is a total reduction in funding of £700k approx. on 2013-14 funding levels, approx. 13% on 2013-14 levels. Indicative figures for 2015-16 show a further reduction of £727K, approx. 16% on 2014-15 figures.
- 6.14 The funding for RSG has fallen by £742k, approx. 23% of 2013-14 value. In 2015-16 indicative figures it falls again by £786k, approx. 32% of 2014-15 value.
- 6.15 If this significant reduction in RSG each year continues, this element of central government funding will be virtually non-existent by 2018-19. This has significant impact on those grants rolled into RSG, such as Council Tax freeze grant and the elements of Council Tax Support and Homelessness within RSG.
- 6.16 The funding for BRRS has grown by £42k on 2013-14 figures, approx. 2% in line with the cap announced in the Autumn Statement. BRRS normally increases by RPI as at September each year, 3.2% for 2013. In 2015-16 an increase of £59k has been indicated, approx. 3% on 2014-15 levels.
- 6.17 The total funding includes the grant for homelessness, previously separate to the Formula Funding of £0.056m. Although the homelessness grant is not ring-fenced and has been rolled into the general formula funding for the authority there is a general expectation by government that it will be used to address homelessness pressures.
- 6.18 The total funding includes the grant for Council Tax support. This is no longer separately identified in the funding, previously figures for both RSG and BRRS elements were known, and as such an assumption that it reduces and/or grows in line with these elements of the funding has been made.
- 6.19 The Council Tax freeze grant for 2013-14 of £32k has been included in the funding. The government has committed to rolling this funding permanently into the grant for future years. However, as this forms part of RSG it has been assumed to decrease at the same rate as RSG for future years.
- 6.20 There have been significant changes to the way local government is funded in

line with the Local Government Finance Act 2012 coming into force. These are mainly around the localisation of council tax support and the business rates retention scheme. The accounting treatment of these items, in particular the business rates retention scheme, is still being defined. However, some of the income from growth of business rates and the benefit of pooling with other Northamptonshire authorities has been built into the budget for 2014-15. An initial estimate of the benefit has been included in the financial projections, but as the final figures will not be known until after the budget has been set, these may vary in year and will be reflected as part of the 2014-15 budget monitoring process.

- 6.21 It is thought that this will run on a similar basis as Council Tax and any surplus or deficit on collection will be taken in the next financial year. As yet no assumptions have been made on these potential surplus or deficit figures as there is limited data to make assumptions on. These amounts will be considered throughout 2014-15 and will be included in future medium term financial plans presented to this committee.

New Homes Bonus

- 6.22 The 2010 Comprehensive Spending Review included a new special fund from 2011-12 onwards for New Homes Bonus, with an additional incentive for the provision of affordable housing.

- 6.23 The allocations for New Homes Bonus received to date and projections for future years have been included in Appendices 1 and 3 to this report. The use of these resources to support the budget has reduced the level of overall savings required. In summary the total new Homes Bonus received to date are:

- 2011/12 £244,987
- 2012/13 £460,606
- 2013/14 £614,759
- 2014/15 £848,184

- 6.24 The new homes bonus was originally a 6 years scheme and as such the final year could be 2016-17. The assumption has been made that the scheme will continue after this date. However, should the scheme end the funding would be available for distribution to local government as part of its overall funding. As there will be no further information on this for the immediate future this assumption will remain as part of the Medium Term Financial Plan figures.

- 6.25 In addition to the potential changes to the funding of new homes bonus there is also a proposed amendment to the qualification criteria whereby any new growth that has originally been turned down for planning permission but won on appeal will not count towards this funding. Only growth that was not subject to appeal will be eligible to be included in the New homes Bonus calculation. Further investigation into the potential impact is being undertaken.

The council's approach to the budget pressures for 2014-15 and the medium term

- 6.26 The medium term financial projections indicate a need to save approx. £1.6m in 2014-15, rising to approx. £2.4m pa by 2017-18. This equates to just over £8m in total for the 4 years, which potentially will need to be met by reserves if further savings are not identified. The current level of general fund reserves is £4m. As such there is a need to identify savings and efficiency proposals to ensure that the budget remains in balance and that the minimum level of Reserves is not breached.
- 6.27 These estimates are based on the current known variables on spending and funding. Appendix 1 shows these in more detail.

Savings proposals and budget additions

- 6.28 There are a limited number of budget additions and reductions, which members are requested to consider and these are detailed in Appendix 2. These amendments have been included in the budget proposed at Appendix 1.
- 6.29 Some initial options for savings and efficiencies have been explored and where possible included into the financial projections. Other options are currently being generated based on the principles agreed at the December Resources Committee and are shown at Appendix 4.

Council tax and Referendum levels

- 6.30 An increase of a 1.99% on Council Tax increases has been included in the projections, which is below the current referendum limit. The 2014-15 referendum level will not be officially known until mid-February.
- 6.31 If the council tax is raised higher than the government referendum limit, currently at 2%, a local referendum may be called. This does not mean the council cannot consider this option, but does mean that the risks of doing so are higher and the potential costs, currently estimated at approx. £70k, of the referendum would also need to be considered.
- 6.32 The Head of Finance, as Section 151 officer, recommends members agree a council tax increase to the maximum allowed before referendum is needed, currently 1.99%. The decision to increase council tax would benefit the council's finances not only in 2014-15 but more so over the medium term.
- 6.33 A 1.99% increase on the average Band D would be approx. £2.94 per year, or approx. 6p per week.
- 6.34 If the Council continues to accept the freeze grant offered by Central Government the Council Tax will continue to be suppressed and the growth for future years from the rolling in of all previous year's growth will continue to limit the Boroughs ability to be less reliant on Central Government for funding. In addition to this all Council Tax freeze grant will be rolled into the RSG element of funding and as such will fall significantly each year, whereas locally decided

council tax increase growth remains constant for all future years.

Economic Outlook

6.35 The impact of the country's economic climate has had the following significant effect on the Council's budget for 2014-15 and forecasts for the subsequent years:

- Interest rates continue at a low level and the current bank base rate of 0.5% is forecast to remain at this level throughout 2014-15. This will mean that to maintain the current level of return on cash investments the risk appetite for these may be increased. This will be detailed in the Treasury Management Report which will be on the committee agenda for the March meeting.
- Income from services that reflect economic activity may be at a reduced level including planning application fees, building control charges and rental income from the Council's commercial properties. This may restrict the Council's ability to utilise additional income as an alternative to cuts in expenditure and levels of service. Alternative investment strategies are being pursued to try and maximise the returns that can be made on strategic investment properties and rentals.
- Capital receipts from the sale of surplus land and buildings may be depressed in the medium term. This factor has been built into the estimates of available capital funding. The low level of capital receipts from disposals results in a consequential impact on the sum available for investment.

7 Budget 2014-15

7.1 The revenue estimates are summarised in Appendix 1 to the report.

7.2 This appendix shows the base budget submissions received from service managers after vetting by the Accountancy team, together with all known changes to the budget requirement.

7.3 Appendix 1 shows the base budget for 2013-14 and assumes a 1.99% increase in Council Tax for 2014-15 as previously proposed by this committee. The budgeted use of reserves in 2014-15 will be approx. £1.6m but this could reduce if and when further savings are found for 2014-15.

Budget Forecasts 2015-16 to 2017-18

7.4 The budget forecasts for the medium term are set out in Appendix 3.

7.5 The figures are a logical progression from those presented for 2014-15 and take into account those key factors for which the details are known or assumed in the Medium Term Financial Strategy. It is recognized, however, that forward forecasts over a number of years carry the risk of increased uncertainty. The figures indicate that on a standstill basis with no additional resources for service development there would be a deficit of £1.6m in 2014-15 and this will increase

in subsequent years giving a projected deficit of £2.4m by 2017-18. It is, therefore, essential that consideration is given on the means to close the gap between spending proposals and available resources over the coming 12 months.

- 7.6 In view of the extent to which the General Fund balance and earmarked reserves have been applied in the financial years up to and including 2014-15 there will be a marked reduction in the Council's ability to use this source of support in the future. As a consequence, the funding gap will need to be met from spending reductions, service cuts or increased income opportunities.

8 General Fund Balance

- 8.1 The most recent outturn projections for the current financial year indicate that the Council's General Fund balance at 31st March 2014 will be £4m. This is considered to be a reasonable but prudent level given the reliance on reserves to balance the current budget.
- 8.2 A report on the use of reserves and balances is elsewhere on the Resources Committee agenda and that report will address the issue of the minimum level of General Fund balances required.

9 Collection Fund deficit and Council Tax

- 9.1 There is an estimated surplus on the Collection fund for 2013-14 of £382k, of which the Wellingborough share is £40k. This surplus has been taken into account in setting the Council Tax for 2014-15 but not in future years. No surplus or deficit has been included in the future projections for reasons of prudence.
- 9.2 Since the introduction of parish precepting in 2002-03 this Council has been responsible for the Borough element of the Council Tax which applies to all residents of the Borough and the town element which applies to all residents of Wellingborough town only. The parishes set their own requirement which is then added to the Borough rate for each of the individual parishes.
- 9.3 The Council Tax base for 2014-15 has already been agreed as 21,834. The Council Tax resolution for 2014-15 will be presented to Council on 25th February 2014. This will include the Council tax for the Borough Council, County Council and Police and Crime Commissioner. These figures have yet to be decided and as such the resolution will be amended as necessary before the Council meeting.
- 9.4 The position in respect of Band D council tax for the borough council is as shown below;-

	2013-14	2014-15
Average Band D Council Tax (Excluding local precepts)	£129.95	£132.42
Wellingborough town rate – Band D	£59.25	£60.38

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10 Budget Consultation

- 10.1 At the Resources Committee meeting of 11th December 2013, members approved the basis for public consultation on the draft budget.
- 10.2 In accordance with the plan a consultation document was designed and widely distributed. Copies of the consultation document were made available on the Council's web site and copies of the form were sent to statutory and community partners with a reply paid envelope. In addition to that all contacts on the Council's consultancy database that had an e-mail address were sent copies electronically. Displays with copies of the consultation document were set up in the Council's two receptions and branches of the local library.
- 10.3 The feedback from the consultation process is set out in Appendix 5.
- 10.4 The consultation responses were so few in number (66 in total) that no conclusive views can be taken as they do not represent a sufficient sample of the Council tax payers in the Borough.
- 10.5 Further consultations on specific proposals will be undertaken throughout the next 12 months as options develop.

11 Chief Finance Officer's Statement

- 11.1 As required under Section 25 of the Local Government Act 2003, the Section 151 officer for the council has to provide their opinion on the robustness of estimates. A Section 25 report from the Head of Finance is shown at Appendix 7.
- 11.2 This report will also cover some of the financial risks facing the authority in the medium term, in addition to those risks identified at section 15 of this report.

12 Business Rates

- 12.1 From 2013-14 onwards part of the total funding allocated to the Council from the DCLG was based on the estimates for business rates collected locally. This is the Business Rates Retention Scheme element mentioned earlier in this report.
- 12.2 The DCLG use the estimates for the coming year to assess the level of funding to be retained locally and the amount of levies due to be repaid to the DCLG. The Business Rates Pool for Northamptonshire will administer this and calculate the benefits to be distributed to its members for future years.
- 12.3 It is therefore essential that the returns made to the DCLG reflect the local position accurately and will become an increasingly important element of future funding forecasting for the medium term. The S151 officer under her delegated powers signs these for the Council.

12.4 For information, the business rate for 2014-15 has been set at 48.2p in the £ (2013-14 47.1p) and 47.1p for small business rate relief. This reflects the capping of the growth by central government to 2%. Any loss to the council for the changes enforced to business rates by central government as part of their Autumn Statement commitment to business growth will be fully repaid to the council as a grant in year. The levels of these commitments have yet to be assessed and agreed and will be reported to this committee throughout the year as they become known.

13 Legal powers

Local Government Acts 1992 & 2003
Local Government Finance Act 2012

14 Financial and value for money implications

14.1 The medium term financial projections outline significant savings needed over the next 4 years to match spending levels with estimated funding levels. The budget strategy for this period is to reach a position where the revenue budget is sustainable and not supported by reserves.

14.2 However, it is recognised that it will take time to develop and implement suitable proposals to address this strategy. In the short term, reserves will be utilised to allow this development. The shortfalls identified will be kept under constant review and will require more robust and integrated service and financial planning for future years.

15 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Inaccuracies in the reported standstill budgets	Overspends and reduced reserves and balances	Low due to quality assurance	Robust financial practices
Changes in activity levels and new burdens in the short term	Overspends and reduced reserves and balances	Probable in the short term until more robust budget forecasting in place	Further improvements to forecasting arrangements
Assumptions in the report are unrealistic	Further adjustments to service delivery methods and savings targets in medium term and	Possible	Robust monitoring of the variables and periodic refreshing of data

	use of reserves in the short term		
Failure to meet the financial strategy in the medium term	Further adjustments to service delivery methods and savings targets in medium term and decreased levels of reserves	Possible	Robust financial planning and budgetary processes, including the monitoring of the implementation of proposals
Failure to meet the savings required/efficiencies in a managed way	Further adjustments to service delivery methods and savings targets in medium term and use of reserves in the short term	Possible	Management actions and member monitoring. Compensating/ alternative proposals developed
Changes in future funding driven by government	Further adjustments to service delivery methods and savings targets in medium term and use of reserves in the short term	Possible	Close monitoring of potential changes and early reporting of impacts

16 Implications for resources

There will inevitably be significant resource implications across all service areas on staffing, finance and property resources arising from the budget process.

17 Implications for stronger and safer communities

Any implications will be considered as part of the budget setting process.

18 Implications for equalities

Equalities impact screening will be carried out as part of the development of proposals to feed into the corporate planning and budget setting process.

Author and contact officer

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19 Consultees

Senior Management Team

20 Background papers

Medium Term Financial Strategy Report – Resources Committee Dec 2013.

2014-15 Budget Analysis

Appendix 1

Service Area	Original Budget 2013/14	Projected Outturn 2013/14	Original Budget 2014/15	Comments
	£000's	£000's	£000's	
	(a)	(b)	(c)	
Community Support	1,986	2,056	2,008	
Environmental Protection	298	307	309	
Health Protection	181	217	221	
Community	2,465	2,580	2,538	
Housing	514	514	552	
Planning Policy and Regeneration	610	631	770	Includes £174k to be funded from EMR
Planning and Building Control	262	247	116	
Planning and Local Development Division	1,386	1,392	1,438	
Environmental Maintenance	3,123	3,126	2,942	
Waste and Transport	1,084	925	1,200	
Environmental Services Division	4,207	4,051	4,142	
Organisational Development	307	260	231	
Democratic Services	742	748	760	
Facilities	-299	-292	-408	
Resources Division	750	716	583	
Information Technology Shared Service	1,057	1,060	1,073	ENC contract cost increase (pension deficit contribution)
District Law Shared Service	173	157	150	Contract savings
Accountancy	457	467	457	
Internal Audit	87	87	65	Contract savings
Revenues and Benefits	48	48	139	
Finance Division	592	602	661	
Corporate Contingency	277	284	283	
Council Tax Freeze Grant	-30	-30	0	Part of RSG for 2014-15
Bad Debt Provision	10	10	10	
Depreciation & Amortisation	-1,546	-1,559	-1,546	
Non Distributed Costs- Pension Fund	1,185	1,185	1,185	
Investment Income	-582	-312	-312	
Audit Fee & Bank Charges	159	159	99	External audit fee savings
Other Income and Expenditure	-527	-263	-281	
Corporate Management	447	374	215	
Parish Precepts	443	427	443	
TOTAL	10,993	11,096	10,962	

Appendix 2

Pressures and savings included as part of the 2014-15 budget

2013/14 Base Budget b/f: £'000	10,993
<i>Increases to Net Budget: £'000</i>	
Investment Income Rate Pressure	270
Wellingborough Plan - Funded from Reserves	174
Consortium Business Rates	50
Additional Recycling Transport costs	50
Private Sector Leasing Scheme	31
NCC Glamis Hall Grant Reduction	16
ENC IT Contract Cost Increases	16
<i>Net Increases £'000</i>	607
<i>Decreases to Net Budget:£'000</i>	
Establishment Savings	-230
Additional Planning Income	-150
Additional Investment Property Income	-108
External Audit Fee Saving	-60
Training Budget Reductions	-45
Castle Contract Saving	-45
<i>Net Decreases £'000</i>	-638
2014/15 Total Budget Requirement	10,962

	2014/15	2015/16	2016/17	2017/18
	£ 000's	£ 000's	£ 000's	£ 000's
Current/revised spending levels B/F	10,962	10,922	10,810	10,928
Inescapable pressures:				
Inflation: Pay		50	100	100
Additional Contributions to offset Pension Strain	100	68	68	68
Income increases:				
Norse Partnership fee changes	-100	-30	-40	-40
Investment property income		-100		
Forecast other budget changes:				
Contract & procurement savings	-100	-50	-50	
Crematorium Operating net income		-100	-100	
Changes in welfare reform demand pressures		-50	-50	
Insurance premiums	60			
NI pressures from contracting out changes			90	
Local Plan pressures	0	100	100	-200
Total Changes to Base spending levels	-40	-112	118	-72
Revised spending levels C/F	10,922	10,810	10,928	10,856
Financed by: :				
Previous use of reserves or savings to be identified:	-1,890	-1,581	-2,005	-2,227
Central government Total Funding (incl growth in BRRS)	-4,993	-4,266	-3,794	-3,464
Council Tax (assumed 1.99% inc pa)	-3,327	-3,441	-3,560	-3,683
New Homes Bonus additional income above current budget	-848	-1,098	-1,348	-1,253
Planned Use of Ear marked Reserves	-174	-	-	-
Total On going Funding available	-9,341	-8,805	-8,701	-8,399
Total Funding including the one off use of reserves from previous years	-11,231	-10,386	-10,707	-10,625
Additional savings needed to balance budget/additional use of reserves (+) or reduced need for reserves (-)	-309	424	221	231
Cumulative Total Savings needed:	1,581	2,005	2,227	2,457
	-4,109	-2,638	-1,173	1,054
Less used to fund annual base shortfalls	1,581	2,005	2,227	2,457
Creation of Budget Implementation reserve				
Use of Budget Implementation reserve	-110			
Contribution to Reserves		-540		
Total revised General Fund Balance	-2,638	-1,173	1,054	3,511

NB: Current Min level of Reserves is breached in 2015-16

- Promote further shared services/collaborative working, still retaining a local presence, with other local authorities and partners to create a shared revenue benefit. In particular the revenues and benefits department could be shared with a neighbouring authority or external partner. The potential to do this is under investigation.
- Build to rent housing – either the building of new private sector rental properties or the conversion of current assets in to rentable properties at private market rates. Further investigation into the potential opportunities are being undertaken and a robust business case showing the benefits to the Council will need to be made.
- Contractual negotiations and procurement savings – such as the current leisure contract and insurance premiums. All current high value contracts are being reviewed and where possible procurement savings identified. If the contract is for desirable, but non-essential services that add value to the Borough but are not of a statutory nature, then the contract review will also include a full review of the service provision and its affordability over the medium term. Changes and variations to contracts to ensure the available resources are focussed on key priorities will also be included, and consultation undertaken as necessary.
- Review of current community grants policy and awards. Community grants are currently awarded to those organisations who add a value to the community. As revenue resources become scarcer the availability of funds to these organisations needs to be reviewed and potentially reduced in line with the overall reductions forecast in the Borough council's funding levels.
- Review of current discretionary rate relief policy and awards. Currently organisations who qualify for the statutory 80% element of rate relief are also able to apply for a further 20% discretionary rate relief funded by the Borough Council. As revenue resources become scarcer the availability of funds to these organisations needs to be reviewed and potentially reduced in line with the overall reductions forecast in the Borough councils funding levels.
- Strategic Asset management of the Councils current asset portfolio, including the disposal of assets that require high revenue costs, such as repairs and maintenance. Reinvest in services or assets that return higher values or are net nil on the revenue budget e.g. Photovoltaic panels on investment properties and/or strategic land holdings with no planned use.
- Review of current service delivery models to explore whether an alternative model would produce revenue savings, or if the service provision should be reduced for future years. This will potentially include the current provision of Day Care services for older people at Glamis Hall.

Budget 2014-15 Consultation responses analysis**The level of Council tax for 2014-15**

Do you support the proposal to increase the borough council element of council tax by 1.99% this year?

Yes

Postal responses:7 Online responses: 28 **Total Responses: 35 (53%)**

No

Postal responses: 16 Online responses: 15 **Total Responses: 31 (47%)**

Sample of further comments:

Not sure people can only pay rises in council tax if what they get /earn rises No good prices and costs going up if what people have to pay it with goes down or stays the same.
I would not agree with a yearly increase as i am on a very restricted income .
Cut councillors expenses and stop wasting money on projects that never happen
Yes, this accords reasonably closely to increase in general price levels
Working class people are struggling with the balancing the bill payments and all the cost in day today life to match the income and it is really hard to compensate the increase proposed by council. and as a citizen i utterly reject the proposal for increase in council tax for next financial year.
Yes but very concerned for the future. Share services, a good idea but you are non specific about what you are sharing and from conversations with people I meet from adjoining areas I suspect we have very little to gain from others and more to lose. External partnering or privatising could mean a loss of potential future earners.
if the extra revenue used to keep leisure facilities cost down, bus passes free and regular bus services from all areas of the town
Too many people are already struggling to make ends meet (given inflation in other areas and low or zero salary increases). No justification for increasing council tax at present. Want to see the council making more of an effort to cut its costs, whether these are operational costs or costs relating to staffing. The consultation seems to include various suggestions for improving operational efficiency. Good. But there is no mention of reducing costs related to staffing (unless, by default ,these are related directly to operational savings). Instead buried in there for future years are increases in costs for salaries and 'pension strain'. Why, for example, aren't staff packages/benefit packages for senior management being renegotiated? It doesn't really feel like the council wants to own the problem like any private sector organisation would.
Getting a bigger slice of the council tax is a must £800 to county council £140 to wellingborough council ummmm the wrong balance.
Provided it is no higher than this level.
As my income has been reduced in real terms over the last few years I do not see why I should pay more for services which have remained unchanged for years
If you continue to have no increase, you are effectively having less money to spend on essential services.
Would support slightly higher rise if brown bin collection was extended to beginning of December - gardeners need to get rid of autumn prunings, please vast amounts of leaves from trees on council land are blown into people's gardens and need to be gotten rid of
Wages are stagnating or being cut back so an increase in council tax is just not on during the current economic climate. Other councils are struggling with budgets as well and they have not raised council tax.
As the council tax has not altered for a number of years I believe this to be fair and personally I would not object to 2.5% as an increase. This comment may sound strange but you feel the impact of this payment less as we are required to pay it by law and as long as the services that are supported by it are not affected.
I feel sure the savings can be made from the existing council budget however a lack of transparency on spending - I can't easily see lasts years total spend on this website - means that we, the public, are not getting the whole picture.
costs have increased, seems logical
Would rather pay a little more and get decent services than pay less and have to put up with reduced services.

I already that feel that I do not get value for money. I constantly hear members of the council say that they are doing a good job but I fail to see it. Parts of the town have been allowed to fall into disrepair. Rather than increase council tax there are areas where efficiency savings can be made.

A council tax rise when you are considering reducing services is not acceptable. Perhaps the way to increase the amount of revenue generated by council tax would be to slightly reduce the amount of discount/rebate given to people claiming benefit.

Changing the way we manage and organise services.

Please add your comments and thoughts you have about the way we manage and organise services here.

Sample comments:

1. Cease support for the castle theatre, sell off the building.
2. Close one of the sports centres or make it managed by the private sector with no cost to the council.
3. Start charging for the MSCP (free for up to 2hrs) and free at weekends.
4. Maintain the day centre but look at outsourcing its operation.

Build or convert housing “ this is possibly a good long-term solution yet will do little to balance the books in the short-term. Example: £60,000 to build with a rent @ £500 per calendar month = 120 months (ten years) plus there is maintenance and management costs.

Review the grants given to community organisations & Review our current discretionary rate relief policy and awards “ both items need to be looked at and reduced.

Dispose of assets that have high repair and maintenance costs Croyland Hall and Abbey need to be disposed. Government has reduced the tariff for photovoltaic panels which makes it less attractive.

all the services are important to maintain if no one keeps Glamis open the impact on the attendees will be big these will become isolated and displaced. The things that are provided by glamis are very important to the health safety and well being of all who attend. The things they receive at glamis are not available to them anywhere else.

Consider sharing back office functions. However partnerships with any private companies will need to show complete transparency and a commitment to the ethos of public service. Private companies often have a commitment to their shareholders and staff/management and director bonuses which could jeopardise any partnership.

Reduction in grants to community organisations could be short-sighted as many residents rely on the service provided by this sector. The front-line services provided by the voluntary and community sector have a direct and positive impact on the lives of the users; without this many residents would have to access already over-stretched public services causing additional strain to the diminishing public purse.

I do not feel I have enough knowledge to comment on any of the other points raised.

I agree with sharing with neighbouring authorities and all the other reviews. I am unsure about the day care provision as this is vital for some people and should be carefully monitored.

Council involvement in provision of more housing meets a growing need and is a long term investment.

Shared services are always good. Partnerships can work if developed correctly.
 Community grants are important but must always provide best value. Perhaps more community groups should combine resources where they have the same aims. Duplication is never a good thing.
 Assets need to be looked at carefully - but do not sell off the family silver - you never know when you may need the building or asset if it is placed within the Borough of Wellingborough. Think carefully how it can make money.
 The day care service at Glamis Hall does need to be looked into.

You should reduce grants and discretionary rate relief and dispose of assets with high repair and maintenance costs

need to concentrate on efficiency of the staff which could save some money and by trimming the trees could reduce the cleaning within streets and could reduce the cost of services. Charge or introduce the passes for car park near railway station or nearby area where rail commuters are using

Housing, great, I notice a lot of the 'brown field' sites are under development but am concerned about the town centre. Having lived local most of my life the town centre despite looking quite clean and attractive appears to be on a steady decline with not much being done about stopping it. I think I counted 7 empty shops in the Swansgate now gradually being littered with market stalls.

Renegotiate contracts, I would have expected this to be done anyway and it is an area where you could get a better deal if partnered another area in negotiations.

Grant review, these will always seem unfair to some, including me. To the best of my knowledge I do not benefit from any and personally would only favour grants to the disabled and elderly.

Discretionary rates, I'm assuming this only applies to registered charities. In my opinion it should not apply to anyone making more than 5% profit per annum. Obviously the business will tell you that leaves no room to invest but why does a charity need to make large profits.

Reduce taxi costs for the mayor by using own vehicle.

Charge for car parking

Look at the cost of running The Castle

share services with other councils would be good idea

build /convert houses would these not be included in the right to buy

Review and renegotiate contracts this depends on the services being offered and the impact of removing the service

Reviewing the grants given to community organisation- by cutting funding to some organisation could lead to more expense e.g youth organisations as problem could occur if youths have nowhere to meet, and also demoralise the people running these clubs, this can apply to most voluntary organisations,

Dispose of assets that have high repair and maintenance cost -could these assets not be long lease to the private sector with an agreement on the maintenance

Look at other ways to provide services- I believe if you are looking to cut day care services for the elderly you will be condemning some elderly people to a very lonely life as Glamis Hall maybe the only place where they see people

could savings be made by cutting paper work ,Joining up with other authorities on Departm

Review the contract arrangements with The Castle

Totally agree with any changes that increase the efficiency of council operations. Looking at merging services, selling assets with high maintenance costs, renegotiating contracts, looking at other ways to provide services etc are just what any good business should be doing anyway.

Building or converting housing makes sense if the cost justification case is sound.

The other two ideas - reviewing grants and discretionary rate relief - are difficult to comment on without a better idea of who will suffer as a result (and how much).

Tighter car parking tickets midland road and Cambridge street is a mess cars parking on double yellow lines extra income fund ! Building on already owned council land preferably with in the town area for housing to rent.

It makes sense to look to share certain services with other partners as there is often duplication taking place and to dispose of assets that have high ongoing costs. However I have concerns about the reviewing of contracts and grants particularly to community organisations, as these are often the main groups taking up the slack in what is provided to the elderly, vulnerable, young people and so on, and they provide a valuable service on very little. I think there is a danger that you will expect more and more low level services to be picked up by the community sector and volunteers, stretching them to breaking point.

Share services with other councils and partners

In particular, the revenue and benefits department could be shared with a neighboring authority or external partner.

This makes sense providing claimants/customers would still be able to attend an office in Wellingborough if they need to speak to someone or provide documentation.

Build or convert housing

We can then rent these out at private market rates.

Does this mean rent out as homes? If it does then I am a little confused as I thought the Council had sold on its housing stock to save money on administration, collection and repair/maintenance.

If it means to convert for some other purpose (ie business premises) then again why when there are so many empty business premises already.

Review and renegotiate contracts

Where a contract is for something desirable, but not something the council is legally obliged to provide, then the review may also look at the provision of the service and its continued affordability.

Yes this makes sense

Working in partnership on delivery as well as shared service can give better value for spend

Reduce grant to the castle

Service sharing is a good idea as long as it does not mean that Wellingborough would be seen to be playing second fiddle to the partner organisation. Reducing grants given to outside organisations is a good idea as is reviewing the discretionary rate relief. Disposing of expensive assets and making greater use of the remaining ones is a good idea.

Grants to community organisations should be maintained. At present you get ten times the value of grants you make, through volunteer work.

Discretionary rate relief should continue. If a charity has taken on a building with the full grant, it is unfair to arbitrarily take this away, as even the lower rate could be several thousand pounds and cripple the charity.

Partnerships with such groups as Norse have been successful and should be explored, but some sort of democracy and accountability to the voters should be maintained.

Agree with
Amalgamation does not always produce better results. often a small, but dedicated team are far more productive. Convenience for the public assists efficiency.
A house building programme is a good idea because it will provide both housing and revenue from rent so long as the buildings are not then sold at low cost to renters.
I think that elderly day care should not be cut at all, there are already too many lonely elders in the community that don't receive help ~ we shouldn't add to the problem.
Savings made from addition of solar panels and other ideas like that seem like a sensible idea.
1)I do not believe sharing services with other councils is a good option this will leave many gaps in public services trying to accommodate faster area's with reduced staffing & man power. Instead employ local contractors on contractual fixed agreements within the district, this keeps the money in the area.
2) to build or convert for rental purposes makes good business sense to me, however this would seem to be a long term return on any investment and are the funds available to undertake this. What might be worth consideration is renovating or building industrial units and encouraging small business to the area and offer reductions for first year on three year lettings?
3) A contractual review I would agree with as long as front line services are not affected.
4) If the organisation's are of a disabled criteria then these must be protected,if they are for Joe public then I believe Joe public should pay for that service from his/ her pocket.
5) Your discretionary rate relief policy I do not know enoug
Review the grants given to community organisations & review our current discretionary rate policy and awards.
Charity in both a specific and general sense will bring about the downfall of this country and help the real culprits avoid responsibility for their actions. The council should not be complicit with so many 'do gooders' although a few are valid.
I think you are good at what has to done .its hard times now there are always ways to improve on what you do , to cut costs
Anything EXCEPT reduce grants to community organisations.
Yes to convert housing. Yes to review rate relief. Yes to dispose of assets. No to all others.
Sharing resources between councils to save money seems an obvious way to go. Also the cost of shared equipment or management for example would benefit all the councils involved.
People need to look at doing more for themselves. Whilst some things the council provides for the community are invaluable it is not the role of the council to provide for everyone's leisure activities and youth groups etc. Parents need to play a responsible role in ensuring their children are gainfully occupied. Whilst some youth groups etc in certain areas help troubled youth reconnect with their community in many areas the disaffected and disenfranchised are the last teenagers who would go to youth club and the council may be providing entertainment for families who can do this for them selves rather than reaching those in need.
I do not know enough about which organizations may qualify for rate relief to comment but I am broadly of the opinion that organizations should be self supporting.

Sharing services with other councils and partners would be a good idea as would renting houses out at private market rates and disposing of assets that have high repair and maintenance costs so long as any of these does not make life difficult for residents in the borough. Otherwise for the rest looking into whether they are run/organised efficiently should be the first option but then after that I don't think that services should be cut because that makes life difficult for residents I would rather we all paid a little more council tax. Although you perhaps don't finance street lighting this is an example of how saving money can have detrimental effects on the residents - dark unlit streets increase accidents, fear and the potential for crime, it would have been better to increase rates and keep streets safe. We the residents of Wellingborough do not want to suffer through facilities and services being cut - just run them efficiently and where there is a need for them and charge more if need be

I'm sure that there are lots of areas where savings can be made. The government both nationally and locally are pushing 'Green' enterprises so why not fit council owned buildings with solar panels and sell the electricity back to the national grid. Rather than raise council tax look at ways in which the council can bring in revenue.

Share services with other councils and partners - if logistically possible this would be a good idea

Build or convert housing - would only be a benefit if treated as private rental accomodation and not considered to be a social housing option

Review the grants given to community organisations - should always be reviewed as a matter of course. Obviously a shame if the results are negative to the organisation

Review our current discretionary rate relief policy and awards - difficult.

Dispose of assets that have high repair and maintenance costs - a good idea if alternative lower maintenance premises are available for any services which are using the assets

Look at other ways to provide services - good idea to review

Fees and Charges

Are there any areas where you think we should increase the charges above the rate of inflation?

Yes

Postal responses: 1 Online responses: 9 **Total Responses: 10 (17%)**

No

Postal responses: 15 Online responses: 34 **Total Responses: 49 (83%)**

Any further Comments:

The increase in fees and charges will do nothing to find the £1.7m the council has to find

No one can pay more out than they receive the finances of a lot of people are close to the edge difficult to balance bills with income already its not possible to pay more out than we can already.

Cemetery charges and Hall Hire are areas for investigation

it is going to be extra burden on residents.

I haven't time just now but will have a look and get back to you. However I believe you cannot keep cutting without investment. All of these houses being built will contribute to the coffers directly or indirectly and I'm assuming this has been included in your calculations.

with the austerity measures and peoples wages being held down, any small increase combined with other increases e.g car fuel, gas, electric, water etc causes hardship to many of the people who work and cannot see the benefits of working as their wages buy less and less for the money

Start charging extra for those who still have overflowing black bins who don't or rather won't recycle Germany is very tough on fines and recycling in the right bins. Ticket people blocking drive ways. Higher gym costs for new waendel centre.

Don't really know enough about the fees to feel competent to comment.

The dates haven't been changed on Appendix F(iii) so not sure if the proposed fees from 1st April 2013 are what you mean for 1st April 2014?
Taxi licences.
Business rates profit related?
No exceptions, no compromise, sends the wrong signals
The rate of inflation is such an arbitrary figure. If costs have increased for what ever reason and it is a service that is needed it should be paid for. The cost is what should be met not an artificial idea that inflation affects things equally and everything only rises by this amount. This is wrong an unrealistic
The following: reducing crime and anti-social behaviour/Improving life chances for young people/ Delivering efficient and responsive services/Enhancing the environment.
Any rise should be in line with inflation. Most annual pay rises are below inflation ay present and you would really have to justify an above inflation rise to charges.

Are there any areas where you think we should not increase the charges above the rate of inflation?

Yes

Postal responses: 5 Online responses: 19 **Total Responses: 24 (42%)**

No

Postal responses: 9 Online responses: 24 **Total Responses: 33 (58%)**

Any further Comments:

Government states fees should be proportionate to the service provided
again so many already struggling under the weight of costs and bills which don't tally with earnings / benefits incoming money.
Most people are finding the cost of living difficult and cannot afford further charges.
Any areas which would directly affect the elderly or disabled and may cause them hardship or even have to give up the service provided due to extra cost.
Services solely provided for the elderly and the disabled
Look harder for alternative income. We have a great market square, cobbled at considerable expence and totally under utilised. Have you considered an indoor market with semi permanent stalls? I travel all over the UK and these are very popular keeping the shoppers dry. if not warm and relatively cheap to build. We already know the floor takes the weight of vans and the prefabricated barns need no foundations other than for RSJ's. It would have to be lighted, It could be walled, have an electrical supply which would allow refrigerated produce to be sold. Some of the stalls could be semi permanent but this is likely to call for security. You could even install your solar panels on the roof.
leisure and sporting activities to promote people to lead a healthy lifestyle without having to pay to belong to a private club which they may not be able to afford
Difficult to comment on this without a better idea of the nature of the services and whether putting up the costs would just reduce demand in some areas & so be counter-productive
Council rent
All in line with inflation.
.community Halls. Day Centres
Pensions is a difficult one but the rate of public pensions is so far above the private sector it is not really reasonable for the public to meet the cost of unrealistically high pensions in the public sector. They should be inline with average rates expected in the private sector.
Not sure if by growth you mean expansion of the town - if this going to cost money don't do it or restrict it,.
As already stated nothing should rise above inflation

council tax. Although it looks from your budget that the proposed increase of 1.99 % has been decided upon before the consultation anyway, which makes me wonder what the point of you asking for our opinions is in the first place!

Are there any other areas where you think where a charge should be introduced?

Yes

Postal responses: 3 Online responses: 13 **Total Responses: 16 (26%)**

No

Postal responses: 15 Online responses: 30 **Total Responses: 45 (74%)**

Any further Comments:

MSCP and other car parks over 3hrs duration
Car parking, brown bin collections.
society in general cannot find more to pay anyone. Less money is a real reality therefore many can do things already charging for more alienates more people until it has an affect on peoples health if needs are costed no one can pay out for the important things anymore.
already many cannot afford heating and lighting and are in arrears with water bills and council tax.
Having read Appendix 5 I am exteremely concerned to see the charges for clinical waste. It is not clear whether this charge is currently in use or is to be introduced and whether this charge will be for care homes etc. or private residents. If private residents are to be charged Â£18+ per sack per week for incineration the cost will be enormous and for some impossible to pay.
business rates must increase in the area of restaurants and offlicence
Difficult, parking is the obvious solution but I appreciate the town centre is quiet enough without extra costs. Where else can you park and shop for free?
Do the markets stalls pay rate? If yes do the market stalls in the Swansgate pay rates or just rent to the centre?
Car parking
Car parking
Start a re-think on bylaws for modern life no parking for one side of the street on one day no parking the next day so street cleaning can be done quicker but better instead of manouvouring around vehicle's fine those that obstruct cleaning of streets just like inner city's and new York.
CAR PARKING - I know it is felt that this would driving shoppers away the car park has had its day and needs updating where else will this money come from? I know people that won't come to Wellingborough to shop just because the car park is so horrendous and prefer to go to Kettering or Northampton and pay to park.
In Northampton it is free parking for the first hour and then very reasonable rates after that. What about licensing car boot sales?
Car parking
Car parking
Car parks - even just a nominal 50p or Â£1 per day
Town centre shops should pay towards cost of town centre management teams
Round all charges to nearest Â£Stering where no taxes are added
Any more charges will bring the name of the council further into disrepute. Wellingborough will need all the luck it can find to get out of this mess.
Charging for using tipping facilities would I feel be counterproductive and cost more than it saves.
A flat rate of Â£1/Â£2 a day for car parking in the town would bring in much needed revenue also a Â£0.20 pence charge for the use of public toilets.
Services solely provided for the elderly and the disabled

Look harder for alternative income. We have a great market square, cobbled at considerable expense and totally under utilised.

Have you considered an indoor market with semi permanent stalls? I travel all over the UK and these are very popular keeping the shoppers dry. if not warm and relatively cheap to build. We already know the floor takes the weight of vans and the prefabricated barns need no foundations other than for RSJ's. It would have to be lighted, It could be walled, have an electrical supply which would allow refrigerated produce to be sold. Some of the stalls could be semi permanent but this is likely to call for security.

You could even install your solar panels on the roof.

leisure and sporting activities to promote people to lead a healthy lifestyle without having to pay to belong to a private club which they may not be able to afford

Difficult to comment on this without a better idea of the nature of the services and whether putting up the costs would just reduce demand in some areas & so be counter-productive

Council rent

All in line with inflation.

.community Halls. Day Centres

Pensions is a difficult one but the rate of public pensions is so far above the private sector it is not really reasonable for the public to meet the cost of unrealistically high pensions in the public sector. They should be inline with average rates expected in the private sector.

Not sure if by growth you mean expansion of the town - if this going to cost money don't do it or restrict it,.

As already stated nothing should rise above inflation

council tax. Although it looks from your budget that the proposed increase of 1.99 % has been decided upon before the consultation anyway, which makes me wonder what the point of you asking for our opinions is in the first place!

I am completing this questionnaire as a

(PLEASE SELECT ALL OPTIONS THAT APPLY):

Local resident **56**

A local business rates payer **2**

A local service user **16**

Other (please specify) **5**

Chamber of Commerce

Community Centre

Pastor to Village

Voluntary sector organisation

Partner Organisation

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Council Minutes etc.</u>		
<u>Minutes</u>		
Commercial Concerns	Zero Rated	151.70
Political Parties		
<u>Planning Committee</u>		
Agendas, reports and minutes	Zero Rated	303.40
Minutes	Zero Rated	76.80
<u>Register of land held by Public Bodies</u>		
Copy of an entry	VAT Exclusive	13.30
Duplicate sheet	VAT Exclusive	0.40
<u>Freedom of Information Act</u>		
Requests for information	O/S Scope	
<p>A charge can be made for the materials (eg Paper, CD Rom, Video Tape etc) needed to respond to a request for information, if the total cost is £10 or more. If the cost of materials is less than £10 no charge can be made. Photocopies are to be charged at 10p per sheet of paper.</p> <p>Staff time taken to find and prepare the information in response to a request is to be charged at £25 per hour. However, if the total amount of time taken is less than 18 hours (£450), no charge may be made.</p>		
<u>Cemeteries</u>		
<u>Interments-Public & Purchased Graves (Monday - 11.30 Friday)</u>		
Age to 1 month	Exempt	No charge
Over 1 month - 16 years	Exempt	No charge
Over 16 years		
Depth to 6 ft.	Exempt	354.60
Per additional ft.	Exempt	71.70
Chamber - Single Interment	Exempt	260.30
Chamber - Double or Second Interment	Exempt	471.50
Cremated Remains	Exempt	83.00
Memorial Chambers	Exempt	76.80
Prepurchased mausoleum	Exempt	746.20

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Interments-Public & Purchased Graves (Friday after 11.30am to 3.30pm, Saturday 9.00am -10.30 am)</u>		
Depth to 6 ft.	Exempt	531.90
Per additional ft.	Exempt	107.60
Chamber - Single Interment	Exempt	390.50
Chamber - Double or Second Interment	Exempt	707.20
Cremated Remains	Exempt	125.00
Memorial Chambers	Exempt	115.80
Prepurchased mausoleum	Exempt	1119.30
* 50% uplift to basic charges with figures shown below rounded up to the nearest 10p		
<u>Exclusive Rights</u>		
Earth Graves (9 ft. x 4 ft.)	Exempt	355.60
Childs Plot (4 ft. x 3 ft.)	Exempt	178.30
Memorial Garden (2 ft. x 2 ft.)	Exempt	118.90
Chamber - Single Interment	Exempt	355.60
Chamber - Double or Second Interment	Exempt	355.60
Memorial Chamber, Ashes (Including Plaque)	Exempt	296.20
Mausoleum - Purchase, facia tablets and inscription	Exempt	3231.80
<u>Memorials</u>		
Vase or Tablet	Exempt	32.80
Headstone or other monument	Exempt	180.40
Kerb	Exempt	102.50
Additional inscriptions	Exempt	51.20
Replacement of headstones	Exempt	58.40
Use of chapel	Exempt	35.80
Use of organ	Exempt	35.80
Search Fee	VAT inclusive	39.90

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Special Conditions</u>		
Purchaser is a non-inhabitant (100% uplift in charges, applies to purchase of exclusive rights only)		
Deceased was a non-inhabitant 100% uplift in charges, applies to interment fee and memorial applicants)		
A non-inhabitant is a person who has not resided in the Borough for at least one year, in the five year period prior to the memorial application or interment.		
<u>Maintenance of Graves</u>		
Levelling and turfing grassed graves on one occasion	Exempt	85.00
Maintaining other graves for 25 years	Exempt	697.00
Planting on a single occasion	Exempt	58.40
Spring & Summer flowers for 25 years	Exempt	1395.00
<u>Day Centres</u>		
Daily fee to include meals	O/S Scope	7.60
Provision of transport	O/S Scope	4.10
Provision of assisted showers and baths		3.00
<u>Swanspool Pavilion</u>		
Monday to Saturday- Minimum Charge (3 hours)		
<u>Off Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	14.80
Level 2 - Open, set out, clear away and close.	Exempt	18.90
Level 3 - As 2 but remain present.	Exempt	26.60
<u>Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	18.90
Level 2 - Open, set out, clear away and close.	Exempt	26.60
Level 3 - As 2 but remain present.	Exempt	29.70

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Glamis Hall - Non Sporting</u>		
<u>Off Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	17.90
Level 2 - Open, set out, clear away and close.	Exempt	21.50
Level 3 - As 2 but remain present.	Exempt	27.60
<u>Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	21.50
Level 2 - Open, set out, clear away and close.	Exempt	27.60
Level 3 - As 2 but remain present.	Exempt	34.80
<u>Tithe Barn</u>		
<u>Off Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	18.90
Level 2 - Open, set out, clear away and close.	Exempt	22.50
Level 3 - As 2 but remain present.	Exempt	34.80
<u>Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	22.50
Level 2 - Open, set out, clear away and close.	Exempt	34.80
Level 3 - As 2 but remain present.	Exempt	42.00
<u>Finedon Town Hall</u>		
<u>Off Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	14.80
Level 2 - Open, set out, clear away and close.	Exempt	18.90
Level 3 - As 2 but remain present.	Exempt	26.60
<u>Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	Exempt	18.90
Level 2 - Open, set out, clear away and close.	Exempt	26.10
Level 3 - As 2 but remain present.	Exempt	29.70

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>All Halls</u>		
Sundays and Bank Holidays - 50% surcharge		
Commercial Rate - 100% surcharge		
Registered charities 50% discount		
8 or more bookings, bookings in excess of 16 hours 10% discount		
Cleaning Fee (Disco's, Weddings etc)	Exempt	63.50
Hire of Piano (where available)	Exempt	2.50
Licensed Bar Facilities (per booking)	Exempt	37.90
<u>Parks</u>		
Floral Decorations	Exempt	30.70
Chairs - Charge per chair per day	Exempt	1.00
Bandstand Section - each per day	Exempt	3.50
<u>Fairs</u>		
Charged at a daily rate per operating day for areas of land up to 15,000 square metres	Exempt	260.30
Additional 25% charged for any Bank Holiday on which the fair is operating	Exempt	325.30
Returnable deposit to be paid by the fair operators, some or all of which may be retained by the Council	Exempt	691.80
<u>Parks Games</u>		
Football	VAT Inclusive	42.00
Cricket -Day Matches	VAT Inclusive	50.20
Cricket -Evening Matches	VAT Inclusive	33.80
Tennis per court (per 45 minutes)	VAT Inclusive	4.60
Bowls-Per Rink (per hour)	VAT Inclusive	4.60
Equipment Hire Charges-Per Item (Query the proposed charge)	VAT Inclusive	1.00
Equipment Hire charges-Deposit (per session)	VAT Inclusive	6.60
Parks Games - Percentage increase in fees and proposed charge includes VAT rate at 20%.		
<u>Planning</u>		
Planning Application Fees	VAT Inclusive	Statutorily determined
Supply of a set of map extracts for Planning and Building Regulation Applications	Zero Rated	25.60

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Copying Charges</u>		
First Sheet	VAT Exclusive	13.30
Duplicate Sheet	VAT Exclusive	0.40
Written Information from Archived Files to Solicitors and members of the public (per question)	O/S Scope	35.80
Planning Decisions notices	VAT Exclusive	15.30
Copies of other documents (TPOs and S106 agreements)	VAT Exclusive	41.00
 <u>Pest Control</u>		
<u>Pest Control - General Charges - All premises</u>		
Charge inclusive of Materials	VAT Exclusive	60.40
Call out charge- if treatment not required	VAT Exclusive	15.30
Council Tax & Housing Benefit claimants		FOC
 <u>Food Safety</u>		
Street Trading - Licence	O/S Scope	1154.10
- Consent	O/S Scope	773.80
Food Export Certificate	O/S Scope	80.90
Voluntary Surrender of Food	O/S Scope	£35 per hr
 <u>Private Water Supplies</u>		
Risk assessment	O/S Scope	35- 500
Sampling per visit (£35 per hour)	O/S Scope	35-100
Other Investigations (£35 per hour)	O/S Scope	35-100
Grant of Authorisation	O/S Scope	100.00
Analysis of Samples		
Under Regulation 10	O/S Scope	0-25
Taken during Check monitoring	O/S Scope	0-100
Taken during Audit monitoring	O/S Scope	0-500
 <u>Health & Safety</u>		
Factual report requested for civil actions	O/S Scope	154.70

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Health Courses</u>		
Food Hygiene/Health & Safety Courses		
Individual	VAT Exclusive	60.40
Group	VAT Exclusive	454.00
<u>Hackney Carriage / Private Hire</u>		
Vehicle licence	O/S Scope	187.80
Driver's Licence (2 years)	O/S Scope	104.50
Operator's Licence (3 years)	O/S Scope	305.40
Trailers	O/S Scope	56.70
Hackney Carriage Knowledge Test	O/S Scope	35.00
Private Hire Drivers Test	O/S Scope	10.00
Transfer of Vehicle Licence (paperwork only, no plates)	O/S Scope	22.40
Temporary Vehicle Transfer (plates included)	O/S Scope	68.00
Personal Plate Application (plates included)	O/S Scope	68.00
In Year Permanent Vehicle Replacement	O/S Scope	68.00
Temporary Drivers Badge	O/S Scope	10.00
Spares and Replacements:		
Rear Vehicle Plate	O/S Scope	25.00
Hackney Internal Plate	O/S Scope	17.00
Private Hire Internal Plate	O/S Scope	18.00
Bracket	O/S Scope	25.00
Windscreen Pouch	O/S Scope	8.00
Lost Drivers Badge Replacement	O/S Scope	10.00
<u>Scrap Metal</u>		
Scrap Metal Site	O/S Scope	325.00
Scrap Metal Collector	O/S Scope	240.00
Variation to Licence	O/S Scope	65.00
Duplicate Lost Licence Fee	O/S Scope	15.00

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Private Sector Renewal</u>		
Accommodation inspection certificates	VAT Exclusive	113.70
Licence Application Fee for Houses in Multiple Occupation-Preliminary application	O/S Scope	143.50
Licence Application Fee for Houses in Multiple Occupation-Secondary application Maximum Fee	O/S Scope	199.80
<u>Energy Assessments</u>		
Energy Performance Certificates	VAT Exclusive	63.50
CODE for Sustainable homes		
Design Stage Assessment : Minimum fee	VAT Inclusive	743.10
Design Stage Assessment : Per unit	VAT Inclusive	74.80
Post Construction Review : Minimum fee	VAT Inclusive	743.10
Post Construction Review : Per unit	VAT Inclusive	107.60
Travelling Fees per mile	VAT Inclusive	0.65
<u>Building Control (excluding Countywide fees)</u>		
Building Control Charges	VAT Inclusive	Remain at current level
Copies of Building Regulation Approvals (Microfiched or stored applications)	O/S Scope	45.10
Copies of Completion Certificates (Microfiched or stored applications)	O/S Scope	45.10
Re-charge plan fee for applications rejected twice.	-	-
Written Information from Archived Files to Solicitors and members of the public (per question)	O/S Scope	35.80
All copies /documents after 2000		15.80
Archive search on information before 2000		44.50
Certificate for exempt work for Building Regulations	O/S Scope	55.30
Site Inspection to Ascertain Whether Building work is Exempt or not.	VAT Exclusive	84.00
Supervised Viewing of Files (per hour or part thereof)	O/S Scope	69.70
Provision of Site Specific Information or Reports on Commercial Projects – this includes Information on Ground conditions, Construction Details etc. (per hour or part thereof)	O/S Scope	71.70
Site visits requested for investigation or advice in respect of Building Regulation matters (not subject to current application) per hour or part thereof	VAT Exclusive	71.70
Withdrawal of Application before work commences or full plans examination takes place, and a refund of the fee is requested.	O/S Scope	63.50

Fees and Charges for the 2014/15 Financial Year

Appendix 6

	VAT Status	Charge 2014/15 £
<u>Clinical Waste</u>		
Clinical Waste Sack (landfill)	VAT Exclusive	3.00
Clinical Waste Sack (incineration)	VAT Exclusive	18.90
<u>Bulky Waste Collection</u>		
Up to 3 items	O/S Scope	35.30
SWANSPOOL HOUSE (Meeting rooms)		
<u>Off Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	VAT Exclusive	18.90
Level 2 - Open, set out, clear away and close.	VAT Exclusive	22.50
Level 3 - As 2 but remain present.	VAT Exclusive	34.80
<u>Peak - Per Hour (Min. 2 hours)</u>		
Level 1 - Open and close.	VAT Exclusive	22.50
Level 2 - Open, set out, clear away and close.	VAT Exclusive	34.80
Level 3 - As 2 but remain present.	VAT Exclusive	42.00

Wellingborough General Market Charges for the 2014/15 Financial Year

Appendix 6

Current Market Charges

Day	Permanent	Traders
	Pebble Lane £	Main Market £
Monday	9.00	N/A
Tuesday	14.00	N/A
Wednesday	10.00	9.00
Thursday	9.00	N/A
Friday	14.00	10.00
Saturday	17.00	12.00
Sunday	N/A	N/A

Casual	Traders
	Pebble Lane £
15.00	N/A
19.00	13.50
15.00	14.00
14.00	N/A
21.00	16.00
24.00	18.00
14.00	10.00

Proposed Market Charges from 1st April 2014

Day	Permanent	Traders	Multiple
	Pebble Lane £	Main Market £	Stall Discount £
Monday			
Tuesday	15.00	13.50	£1 per extra stall
Wednesday	11.00	10.00	£1 per extra stall
Thursday			
Friday	15.00	11.00	£1 per extra stall
Saturday	18.00	13.00	£1 per extra stall
Sunday			

Casual	Traders
	Pebble Lane £
20.00	13.50
16.00	15.00
22.00	17.00
25.00	19.00

1	Two stalls shall be available free of charge to charities or other not for profit users at the Council's discretion.
2	Vehicle or trailer units allowed to stand shall be charged as a single stall.
3	Open areas used for trading on their own or in conjunction with a stall shall be charged as a single stall.
4	There shall be a surcharge of £1 per stall per day for each stall trading in fruit and vegetables and each other stall which generates and leaves disposal more than 1 standard bag full of waste per market.
5	There shall be a loyalty bonus of two weeks credit per market for the February period for permanent traders who have stood at least 48 weeks by the 31st December. This does not include any traders with arrears on their account.
6	For casual traders who have not otherwise stood during that financial year, the casual trader rates shall be increased by £5 per stall for the two trading weeks prior to Christmas Day
7	New permanent traders aged 25 years and under shall receive the equivalent of a three month rent free period during their first year of trading. This shall be taken in a pattern agreed by the trader

Street Trading Licence Fees for the 2014/15 Financial Year

APPENDIX 6

Current Fees from 1st April 2013 - 2014

	Category 1				Category 2			
	Annual	Quarterly	Weekly	Daily	Annual	Quarterly	Weekly	Daily
Food & Drink	2,000	1,000	100	30	2,500	1,250	125	40
Other	1,200	600	100	30	1,500	750	125	40
Entertainment (*)	25	N/A	15	10	25	N/A	15	10

*Not exceeding 6 persons.

Category 1 (Small Size)

A stall, kiosk, trailer, barrow or other trading premises less than 2 meters long (gross length excluding draw bar) or person with or without goods, equipment and apparatus occupying a pitch less than 4 square metres, which is removed at the end of each trading day.

Category 2 (Medium Size)

A stall, kiosk, trailer, barrow, van, vehicle or other trading premises between 2 meters and 3.5 metres long (gross length excluding draw bar) or person not trading food, occupying a pitch between 2 to 10 square metres or a motorised ice cream van and which is removed at the end of each trading day.

Proposed Fees for 2014-2015

	Single Pitch					Double Pitch				
	Annual	Quarterly	Monthly	Weekly	Daily	Annual	Quarterly	Monthly	Weekly	Daily
Food & Drink	2,500	1,500	400	150	35	3,000	1,750	600	200	60
Other	1,700	1100	400	150	35	2,000	1350	600	200	60
Entertainment (*)	150	100	70	20	15	200	150	120	30	20
No charge for registered Charities										

*Not exceeding 6 persons.

Single Pitch (4m x 4m)

Containing a stall, kiosk, trailer, barrow or other trading premises less than 3 metres long, which is removed at the end of each trading day.

Double Pitch (8m x 4m)

Containing a stall, kiosk, trailer, barrow or other trading premises less than 6 metres long which is removed at the end of each trading day.

Licensing Unit Fees for the 2014/15 Financial Year

APPENDIX 6

Gambling Act non Stat Fees:-

Licence	New Application	Variation	Transfer	Reinstatement	Provisional Statement	Prove Statement to full licence	Copy Licence	Notification of change	Annual Fee
New Small Casino	3021.54	1495.81	680.41	673.67	2991.62	1134.35	28.28	56.56	1870.52
New Large Casio	3777.43	1870.52	812.00	803.96	3740.03	1889.23	28.28	56.56	3740.03
Regional Casino	5666.66	2804.77	2454.36	2430.06	5610.55	3021.54	28.28	56.56	5610.55
Bingo Club	1321.03	652.46	453.94	449.45	1373.60	453.94	28.28	56.56	374.71
Betting Premises (excl tracks)	1181.28	560.55	453.94	449.45	1169.58	453.94	28.28	56.56	374.71
Tracks	943.59	467.63	358.06	354.51	934.25	358.06	28.28	56.56	374.71
Licensed FEC	754.87	374.71	358.06	354.51	747.40	358.06	28.28	56.56	265.63
Adult Gaming Licence	754.87	374.71	378.46	507.02	449.45	754.87	28.28	56.56	373.70

Env Health licensing:-

House to House Collections/Street Collections	0.00
Motor Salvage Operators Income	154.04
Tattooists, Acupuncture, Electrolysis Premises	219.32
Tattooists, Acupuncture, Electrolysis Personal	48.96
Animal boarding Income	213.20
Dog Breeding Income	179.54
Pet Shops Income	190.76
Riding Establishments Income	234.62
Dangerous Wild Animals Income	190.76
Caravan Site Licences Income	0.00
Sex Shop new Application	1131.29
Sex Shops Income	300.93
Scrap Metal Dealer Income	0.00
Zoo Licence Income	505.97

Statutory Licences for 2014/15 Financial Year

APPENDIX 6

Premises – Alcohol and Entertainment

Premises and Club application and annual fees – premises that are licensable will be allocated to a fee band according to rateable value.

Rateable Value	Band	Application Fee	Renewal Fee
No rateable value to £4,300	A	£100	£70
£4,301 to £33,000	B	£190	£180
£33,001 to £87,000	C	£315	£295
£87,001 to £125,000	D	£450	£320
£125,001 and above	E	£635	£350

Exceptionally Large Events The Licensing Authority will also charge an additional premises fee for exceptionally large events:

Number in attendance at any one time	Additional Fee
5,000 to 9,999	£1,000
10,000 to 14,999	£2,000
15,000 to 19,999	£4,000
20,000 to 29,999	£8,000
30,000 to 39,999	£16,000
40,000 to 49,999	£24,000
50,000 to 59,999	£32,000
60,000 to 69,999	£40,000
70,000 to 79,999	£48,000
80,000 to 89,999	£56,000
90,000 and over	£64,000

Statutory Licences for 2014/15 Financial Year

APPENDIX 6

Personal Licences, Temporary Events and Other Fees

The Licensing Authority will charge other fees in relation to their duties, most notably for temporary events and personal licences.

Item	Fee
Application for a grant or renewal of personal licence	£37.00
Temporary event notice	£21.00
Theft, loss etc of premises licence or summary	£10.50
Application for a provisional statement where premises being built, etc	£315.00
Notification of change of name or address	£10.50
Application to vary licence to specify individual as premises supervisor	£23.00
Application for transfer of premises licence	£23.00
Interim authority notice following death, etc of licence holder	£23.00
Theft, loss etc of certificate or summary	£10.50
Notification of change of name	£10.50
Change of relevant registered address of club	£10.50
Theft, loss etc of temporary event notice	£10.50
Theft, loss etc of personal licence	£10.50
Duty to notify change of name or address	£10.50
Right of freeholder etc, to be notified of licensing matters	£21.00
Minor variation	£89.00
DPS Community premises condition removal	£23.00

Statutory Licences for 2014/15 Financial Year

APPENDIX 6

Gambling Act 2005

Schedule of Fees for Gambling Act 2005 (National) –
Permits and Notifications (£)

Application Type	Brand New Application	Existing Operator	Annual Fee	Variation	Transfer	Renewal	Change of Name	Copy Permit
Alcohol Licensed Premises – Gaming Machine Permit	£150.00	£100.00	£50.00	£100.00	£25.00	N/A	£25.00	£15.00
Prize Gaming Permit	£300.00	£100.00	N/A	N/A	N/A	£300.00	£25.00	£15.00
Club Machine permit	£200.00	£100.00 (or with club premises certificate)	£50.00	£100.00	N/A	£200** or £100##	N/A	£15.00
Club Gaming Permit	£200.00	£100.00 (or with club premises certificate)	£50.00	£100.00	N/A	£200** or £100##	N/A	£15.00
Unlicensed FEC	£300.00	£100.00	N/A	N/A	N/A	£300.00	£25.00	£15.00

Application Type	Initial Application Fee	Renewal Fee
Non-Commercial Small Society Lotteries	£40.00	£20.00
Notification of 2 Machines or less on Alcohol Licensed Premises	£50.00	N/A

** new

existing

Statement of the Chief Finance Officer Under the Requirements of Section 25 of the Local Government Act 2003

Robustness of Budget Estimates and Adequacy of Reserves

Introduction

This appendix focuses on two responsibilities of the Council's Chief Financial Officer under the Local Government Act 2003, which requires the Section 151 Officer to report to Council on the robustness and adequacy of reserves when setting its budget. These provisions are relatively concise and are set out below.

Section 25 (1) of the Local Government Act 2003 requires that 'the Chief Finance Officer of the authority must report to it on the following matters -

- the robustness of the estimates made for the purposes of the calculations, and
- the adequacy of the proposed financial reserves.'

Section 25 (2) requires that an authority to which a report under this section is made, shall have regard to the report when making decisions about the calculations in connection with which it is made (i.e. setting its budget).

Budget estimates are an assessment of future expenditure and income at a point in time. This statement on the robustness of the estimates gives members a reasonable degree of confidence that the budget has been based on the best available information and assumptions at the time it was built. It cannot, however, give any guarantees about the budget's accuracy over the coming 12 months.

Considerable reliance is placed on Heads of Service and budget managers having proper arrangements in place to identify potential budget pressures and consider value for money and efficiency when liaising with their service accountant in the production of the budget.

Robustness of Estimates.

The following commentary will focus on the 2014-15 budgets but will also make an assessment of the risks across the medium term.

General Fund Budget

In addition to improving efficiency, the Council can:

- a) Increase its own financial resources to help meet budget pressures and to reduce reliance on central government grants in the future
- b) reduce (or remove where possible) current service delivery levels and standards, frequency of service delivery, eligibility for services

As part of developing the budget, members have considered these options and the outcomes are reflected in the budget proposed and the potential savings proposals for the coming years.

Review of Risk in the General Fund Budget

Overall the Chief Finance Officer considers the estimates as recommended are not as robust as would be desirable. While the budget is technically balanced, correct and accurate, the on-going position is a cause of concern. The use of reserves to balance the budget again in 2014-15 is not a long term sustainable strategy and must be addressed in the coming 12 months.

The Head of Finance therefore considers it essential to advise members that the delivery of this budget and the future stability of the Council are very dependent on effective identification of future savings to address the significant budget shortfalls projected for 2015-16 onwards. It is absolutely essential that the Council takes urgent action to address the budget shortfall in 2014-15 and those proposals to address the matter are developed early in the new financial year.

In addition to this the uncertainty over the funding levels for the period of the medium term financial plan means that the reserves should be used as a buffer against the risk of future funding and if the level falls significantly in the next year this risk may not be fully mitigated.

Funding

Government Grant

There was in 2013-14 a radical overhaul of the existing Local Government Funding Framework. The model of Formula Grant driven by a combination of a share of the national non domestic rates pool plus Revenue Support Grant (RSG) has been replaced by the Business Rates Retention Funding and a reducing RSG pot.

It appears that Central Government are moving slowly away from the previous needs based funding of the old formula grant, with current trends in funding showing those most deprived areas seeing the largest reductions in funding. RSG is reducing at significant rates and over the medium term will no longer be a main source of funding for the Council.

With the retention of rates locally there is a far greater emphasis on the need to accurately forecast in-year growth and growth levels for future years in the Medium Term Financial Plan. The need to maintain and grow current business rates income is imperative to the boroughs on-going financial stability. The growth in business rates has been included in the funding position for 2014-15 but no further growth has been included in future years for prudence. Once growth can be seen in the future forecasts it will be included. This does however, pose a further risk, as in 2020 the business rates are due to be reset and the potential growth equalised across the county as the spending baselines are reviewed. This is not an immediate cause of concern but adds to the pressure of forecasting long term financial stability and uncertainty of funding.

Whilst there is now clarity on the funding settlement for 2014-15 and 2015-16 (indicative amounts), robust financial planning has not been helped by the timing of the key funding announcements by Government. Government have noted this concern and have made a commitment to try and address it in the future.

The Autumn Statement giving the headline figures was not made until the first week of December and the provisional Local Government Finance Settlement was announced just before the Christmas break, with the final announcement not until late in January 2014.

Referendum levels for Council tax continue to be in focus, but with similarly difficult time pressures on the announcements to ensure good financial planning and budget setting in a timely manner.

Council Tax

The Borough Council has in previous years taken the Council Tax Freeze grants offered on a time limited basis from Central Government. These grants have now been rolled into the funding assumptions for future years, with a view to incentives councils to continue to take the freeze grants when offered. This does indeed give some financial stability, but as this element is part of the RSG funding it reduces significantly in the medium term. If the Council were to increase its council tax locally and forego the freeze grant offers it would not only maintain the current level of funding, but would also see growth on the funding resulting from the compounding of this growth year on year. It is for this reason that the Chief Finance Officer is recommending the council increases its council tax to the maximum allowable before triggering referendum and forgoes any further freeze grant offerings.

2014-15 indicative increases of 1.99% have been assumed but will be re-evaluated on an annual basis.

There is a risk that the Government will continue its focus on limiting year on year increases in Council Tax by using regulations requiring referendums for increases over %'s set by them in parliament. There is a very real possibility of the threshold being reduced in the future.

Revenue Spending

The 2014-15 budget is built on the assumption that the Council will spend to budget during the 2013-14 financial year. The reporting of any variances to the budget in the financial year have been reducing month on month and there is confidence that there will be no overspend position at year end. However, it should bear in mind that the 2013-14 budget relied on £1.9m of reserves to maintain a balanced position. Any under spending in the year will offset some of this need to rely on reserves and will mean that less reserves are needed to balance the position. This in turn may mean the General Fund balance at year end could potentially be higher than anticipated.

Performance against the budget, as always, will be monitored regularly throughout the financial year, and will be reported by means of formal reports to the Resources Committee.

If necessary management action will be identified to address any adverse variances to the budget.

The assumptions and potential changing circumstances mean that forecasts for future years need to be reviewed each financial year.

Unavoidable Service Pressures

It is essential that the Council continues to set realistic budgets which Heads of service and senior managers can deliver and to which they can be held accountable. Over the medium term 2014-15 to 2017-18 the Authority faces increasing budget pressures in respect of pay and pensions. It also faces a time limited pressure on the need to develop and implement the local Plan and 5 year housing supply strategy. This pressure will totally reverse out in 2017-18, whereas the pay and pension pressures continue to build year on year.

The impact of the triennial review of the Northamptonshire Pension Fund in 2013 is factored into the 2014-15 budgets, the employers' contribution rate being uplifted by 2% of our total basic pay bill per annum. However, the actuarial review will not be formally agreed until after the budget has been set. For 2014-15 there is also a small pressure for the potential increase in pension costs due to the implementation of auto-enrolment. The budget will be monitored in year with any variations being reported and future years amended accordingly.

No inflationary pressures have been allowed on the budgets for 2014-15. It can be assumed therefore that the service budgets are already including efficiency gains in the region of 2% or higher, based on the current level of CPI. There is only so much inflationary pressure that can be absorbed before the "standstill" budgeting approach starts to have a direct impact on the services delivered. The budget for 2015-16 needs to be reviewed to ensure that resources are focussed on delivering the key priorities for the Borough council and this will be a main feature of the next round of budget setting and the production of the medium term financial strategy.

Savings/Reductions

The budget set for 2014-15 again depends heavily on the use of reserves to maintain a balanced position. With the reducing level of reserves available for this strategy to continue the Council needs to find significant savings and reductions in the next 12 months for inclusion in its medium Term Financial strategy.

The council cannot continue to rely on the use of reserves past 2014-15 and this has a significant impact on the Chief finance officer's opinion in the report.

Proposals for savings and reduction need to be agreed and implemented in a robust and timely manner to ensure that the future financial stability of the council is maintained.

The Medium Term Financial Strategy should demonstrate a commitment to achieving a fully populated and balanced plan with a four year approach to redesigning and transforming services. Officers and members need to start this planning early and should ensure there is extensive challenge and a very comprehensive scrutiny process and consultation in place.

Capital Spending

Heads of service put forward project bids for the capital programme with full adherence to the capital options appraisal procedures and Financial Regulations.

Projects have been costed at current estimated prices with some being subject to tender processes after inclusion in the programme, which may lead to variances in the final cost.

The Council has to work within a cash limit governed by the current minimum level of Capital Reserves; as such the capital programme must be funded within these limits.

The risk of the Council being unable to finance variations to the programme is considered to be low due to the phasing of projects. If necessary the Council may freeze parts of the programme within the financial year (where permitted under contractual obligations) to ensure that spend is kept within the agreed limits.

The main risk in the capital programme is delivery of the projects to time. Carry forward from one year to the next can increase pressure on the programme in the following year. Project

management needs to be strengthened in the Capital monitoring process, and commentary on the projects needs to reflect this project management and delivery schedules.

The current capital programme has schemes prioritised for funding, split into those that are affordable in the current level of resources and those that will be released once further funding becomes available.

The targets for asset disposals have been reviewed as part of the 2014-15 budget planning process. There will continue to be capital receipts across the medium term from the disposal of Strategic Land Holdings, However, there is no guarantee that the sales will be realised and on-going review will be necessary and reported through the Capital monitoring process. For these reasons the expectations for the number of schemes to be included in the Capital Programme have had to be revised downwards, and are less ambitious than was hoped for but remain affordable.

Future risks around the funding of Capital Disabled Facilities Grants exist as the current funding will in future be part of the ???Better Care fund?? given to the county Council from 2016-17 onwards. The statutory responsibilities, however, currently appear to remain with the borough council. This is not of immediate concern but will be monitored and reported on accordingly as further information is available.

Adequacy of Reserves

The Secretary of State has reserve powers under the Local Government Act 2003 to set a minimum level of reserves. It is more likely that this power would be exercised where an authority is running down its reserves against the advice of the Chief Financial Officer.

There is no precise methodology for calculating the adequacy of reserves. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council, unless contributions are made from the revenue budget. The minimum level of balances cannot be judged merely against the current risks facing the Council, but must be regularly updated as these risks can and will change over time.

An appropriate level of reserves is determined by a professional judgement based on local circumstances including overall budget value, risks and robustness of budgets, major initiatives being undertaken, budget assumptions, available earmarked reserves and provisions, and the Council's historic record of effective budget management.

Not keeping a minimum prudent level of reserves can have serious consequences. In the event of a major problem or series of adverse events, the authority could be forced to cut spending on other areas during the year in a potentially damaging and arbitrary way.

As set out in the Reserves Policy, the Council holds earmarked reserves to provide against known commitments and General Fund reserves to protect against a wide range of financial risks.

The Chief Financial Officer has taken a risk management approach to the level of general reserves and determined that the minimum level should be £1.75m.

In arriving at the recommendation on the minimum prudent level of reserves strategic, operational, and financial risks have been taken into account, as has the robustness of estimates information (above) and guidance from CIPFA and Government.

Issues taken into account include:

- a) There is always some degree of uncertainty over whether the full effects of any efficiency measures/increased income will be achieved.
- b) The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The local authority is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by Government. The assistance is usually 85% of eligible costs over the threshold. (Up to the threshold the authority must meet 100% of the costs.) The scheme applies to any incident where conditions occur that are clearly exceptional by local standards and the damage to local authority infrastructure or communities must be exceptional in relation to normal experience. In the first instance these costs would be met from reserves.
- c) The risk of major litigation.
- d) Unplanned volume increases in major demand led budgets, particularly in the context of a growing town.
- e) Potential Insurance claims and outstanding liabilities,
- f) The need to retain a general contingency to provide for any unforeseen circumstances which may arise, including risk of emergency repairs to public buildings.
- g) The need to retain some reserves for general day to day cash flow management.

The Chief Financial Officer therefore recommends

- That a minimum prudent level of reserves be set at £1.75m for 2014-15. This will be reviewed at least annually. This minimum level is designed to cope with unpredictable circumstances, which cannot be addressed by management or policy action within the year.
- That it be noted that this does not represent a medium-long term safe level of reserves. The level can only accommodate the impact of significant events up to the level set, and would need to be replenished if one or more such events actually occur.

General Fund Earmarked Reserves

The Council holds a level of earmarked reserves for specific financial risks in addition to general fund balances.

Conclusions

In brief, whilst risk does exist the estimates are robust both in respect of the underlying estimates and the future deliverability of potential reductions. Similarly, from a Section 151 perspective there is always a desire to have a high level of reserves to protect against the unknown. However, against the backdrop of reduced public finances and the need to protect service, especially the most vulnerable in the community the level of reserves is currently considered adequate.