

Report of Head of Finance**Revenue Budget 2016-17 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 2016-17 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 2016-17 in line with the draft budget position previously presented at the Resources Committee meeting on 9 December 2015 for consultation, and a recommendation for future years' council tax increases.

2 Executive summary

- 2.1 The council continues to face a financial challenge to match its current spending levels with the 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 approximately £600k in 2016-17 are needed to give a fully funded position.
- 2.2 The council has already made significant efficiencies in previous years and so the challenge is even further enhanced by the limited potential available for consideration. With this in mind the initial budget assumption for 2016-17 has been based on current budgets and adjusted for any known pressures and savings proposals. Service areas have been vigilant in finding efficiencies to keep the budget to its current level.
- 2.3 The budgets for those areas covered by potential proposals will remain at a "stand still" position for 2016-17 whilst proposals are developed and agreed, and any proposed changes or variations will be reported to this committee.
- 2.4 This will mean that the council will again need reserves to fund its revenue budget whilst more robust and deliverable savings solutions are developed.
- 2.5 The public has been consulted on the budget proposed for 2016-17, the outcomes of which are shown in Appendix 5 of this report.
- 2.6 The report sets out the proposed budget for 2016-17, considers the medium term financial position and includes the proposed council tax for this council for 2016-17, and a recommendation for the future council tax increases.
- 2.7 A further report on this Resources Committee agenda identifies the proposed funding of the capital programme for 2016-17 and the subsequent years. Capital issues are therefore not addressed in this report.

3 Appendices

Appendix 1: 2016-17 Budget Analysis

Appendix 2: Pressures and savings included as part of the 2016-17 budget

Appendix 3: Medium Term Financial Projections 2016-17 to 2019-20

Appendix 4: Initial Ideas for Savings Proposals for 2016-17 and beyond

Appendix 5: Lowest Quartile Council Tax Figures Assumptions

Appendix 6: Budget 2016-17 Consultation response analysis

Appendix 7: Fees and Charges schedule

Appendix 8: Section 25 report

4 Proposed Action:

The Resources Committee is invited to RECOMMEND

- 4.1 Approval of an increase in the council's average Band D council tax in 2016-17 of £5, as allowed within the referendum levels announced.**
- 4.2 Approval of an increase in the council's average Band D council tax in 2017-18 to 2019-20 of £5 or 1.99%, whichever is the greater, subject to meeting the referendum criteria.**
- 4.3 After consideration of the S151 Officer's Section 25 report, approval of the revenue budget for 2016-17 attached at Appendix 1 and the financial plans attached at Appendix 3.**
- 4.4 Approval for the Head of Finance to develop an efficiency plan to allow the council to take advantage of the 4 year settlement proposal offered by central government**
- 4.5 Approval of the Fees and Charges schedule attached at Appendix 6**

5 Background

- 5.1 This committee reviewed the emerging medium term financial position at its meeting on 9 December 2015, which outlined the financial challenges facing the council. The figures presented as part of that report have been refreshed following further information in the financial settlement announced on 17 December 2015 and are shown at Appendix 3.
- 5.2 Proposals to meet the challenge are continuing to be developed. However, due to the size of the task it is again proposed to use reserves, in the short term, to balance the revenue budget in 2016-17. The council needs to continue to review its service delivery methods and priorities, and to implement long term strategies to manage funding shortfalls. The risk of not delivering a balanced budget over the medium term is becoming more acute as the level of reserves diminishes and future funding from central government reduced dramatically.

- 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 2016-17. It also formally recommends the council's Band D council tax charge for 2016-17 and a proposal for future year's changes to the council tax charge. The report also provides detailed forward projections for the years 2017-18 to 2019-20 in order that the council can consider early action to address future years' funding gaps.
- 5.4 It should be noted that the funding figures for the council included in this report are the Provisional Local Government Finance Settlement announced on 17 December 2015, which should be confirmed in the Local Government Finance Report in early February 2016. No definite 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. All councillors will have access to the budget reports prior to the full council meeting on 1 March 2016.
- 5.5 In previous years the government has capped the amount we are able to increase council tax at 2%. Increases above this level were subject to a local referendum. In 2016-17 the referendum levels are as follows:
- Authorities with responsibility for adult social care – 4%
 - Authorities who are in the bottom quartile for Council Tax - £5 or 2%, whichever is the greater.
 - All other authorities – 2%
- 5.6 The referendum level was announced as part of the provisional settlement details and will form part of the final settlement details, to be agreed when Parliament meets in early February 2016.
- 5.7 The Borough Council of Wellingborough is currently ranked as being 24th cheapest for Council Tax and, along with 50 other shire districts therefore has the opportunity to increase its basic amount of council tax by up to £5 in 2016-17. The S151 Officer is strongly recommending the council accept this offer; further financial detail is available later in the report.
- 5.8 Income from fees and charges could become a key consideration to help meet the financial challenge faced by the council. An assumption has been made that the current fees and charges will be not be increased in 2016-17, unless there are statutory guidelines to do so, as inflation for the last 12 months has been running at almost 0%, (Oct 2014-Oct 2015 average rate 0.25%, current rate October 2015 -0.1%). Instead, a full review of fees and charges will be undertaken in the new financial year, where officers will look at the prices and concessions offered, and develop a charging policy that meets the demands and needs of both the borough council and our users, in line with statute and regulation.
- 5.9 The fees and charges schedule for 2016-17 is shown at Appendix 7.

6 Discussion

The medium term financial outlook

- 6.1 The Chancellor announced his intentions for the next financial year in his Autumn Statement speech on 25 November 2015. 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 council will be covered by central government as a grant in-year. In addition to this the provisional local government finance settlement was announced on 17 December 2015 and final figures will be announced shortly. There is no expectation that the final figures will vary significantly from the provisional ones announced. However, there has been a significant change to higher tier authority funding and this may have been amended as part of the consultation period and this does increase the risk of changes.
- 6.2 Included within the provisional settlement supporting documentation is an offer, for any council that wishes to take it up, of a four year funding settlement to 2019-20. This offer can only be accepted if the council develop and publish an efficiency plan. Details of this are expected to be announced with the final settlement figures, but it is not anticipated to be an onerous task and could be based on the medium term plan presented in this report.
- 6.3 The total funding from the Department for Communities and Local Government (DCLG) for 2016-17 in the December announcements was £3.454m, comprising £2.215m for Business Rates Retention Scheme (BRRS) and £1.239m for Revenue Support Grant (RSG).
- 6.4 In 2016-17 the council's central government funding has reduced by £530k and our business rates baseline has increased by £18k compared to our 2015-16 settlement. This is an overall reduction of £512k or 12.9% in Formula Grant.
- 6.5 Indicative forecast figures for 2017-18 to 2019-20 are assuming future years grant reductions are in line with the provisional 4 years' settlement indicative figures issued, and by 2019-20 will total £2.591m, of which only £191k will be RSG. This is a further reduction of £863k pa, bringing the total reduction in central government funding to £1.375m when compared to the 2015-16 levels.

New Homes Bonus

- 6.6 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.
- 6.7 The allocations for New Homes Bonus received to date, and projections for future years, have been included in Appendix 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 in each year is:

- 2011/12 £244,987
- 2012/13 £460,606
- 2013/14 £614,759
- 2014/15 £848,184
- 2015/16 £1,000,984
- 2016/17 £1,457,366

6.8 The new homes bonus was originally a 6 year scheme and the final year is therefore 2016-17. The assumption had been made that the scheme would continue, unchanged, after this date. However, as part of the consultation for the provisional settlement, the government is seeking views on the options for change to two aspects of the bonus:

- (a) Reducing overall income by moving from 6 years to 4 years of payments and
- (b) Reform of the bonus in order to better reflect local authorities' performance on housing growth, by establishing a baseline growth level, which will not form part of the funding calculation. Only growth above this level would be considered for new homes bonus funding.

6.9 When the MTFP was presented to Resources Committee in December it was assumed the council would receive in total £6.7m in new homes bonus over the medium term. Following the publication of the provisional settlement and consultation these calculations have been amended to reflect the potential changes detailed in 6.8, and the revised projection is now £5.4m. This is a potential loss of £1.3m in total over the medium term and reducing to only £905k pa by 2019-20. This would be an annual reduction on the 2016-17 levels of £552k.

6.10 The combined effect of a reduction in central funding and loss of new homes bonus would mean by 2019-20 the borough council had £1.415m less funding than the coming year, 2016-17. This is a significant change in the level of resources and presents a heightened risk over the medium term.

The council's approach to the budget pressures for 2015-16 and the medium term

6.11 The medium term financial projections indicate a need to save around £600k in 2016-17, rising to £1.3m pa by 2019-20. This equates to approximately £3.5m in total over the 4 years, which potentially would need to be met by reserves if further savings are not identified. The current level of general fund reserves is £4.5m and the minimum level of reserves, as per the reserves policy, is £1.75m. It is clear therefore, that the level of general fund reserves is insufficient to create a balanced budget over the four year period.

6.12 The council must achieve a position where planned expenditure equals the expected budgeted resources to be sustainable. The risks of this not being achieved are increasing as funding reduces. It is therefore very important that the council maximises its spending power in all ways that it can.

- 6.13 The council is aware that, with the future predicted decreases to the level of central government support, 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.
- 6.14 In the short to medium term - to allow for the continued development, consultation and implementation of the proposals - revenue reserves will be once again used to support the current levels of service delivery and quality.
- 6.15 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 long term sustainable position and changes to the levels of current spending need to be made prior to the 2017-18 budget preparation. This is covered further in the S151 Officer's Section 25 report at Appendix 8.
- 6.16 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

- 6.17 There are a number of base budget additions and reductions, which members are requested to consider, and these are detailed in Appendix 2. It is worth noting that the service area managers have been working to find efficiencies in their budgets which largely offset the pressures in the budget. This work has contributed to the ability to suggest again a "stand still" position for the coming year's budget. These amendments have been included in the budget proposed at Appendix 1.
- 6.18 Some initial options for further savings and efficiencies have been explored and, where possible, included in the financial projections. Other options are currently being generated based on the principles agreed at the December Resources Committee and which are shown at Appendix 4.
- 6.19 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 enable robust decisions on service delivery and quality for the future. A considerable amount of work has already been done on this development and it is hoped that the proposals will be able to be delivered, at least in part, within the next 12 months to ensure that the budget position for 2016-17 is more secure.

Council tax and referendum levels

- 6.20 The Borough Council of Wellingborough is currently one of 51 councils in the country with the lowest level of council tax (2015-16 ranking: 24th lowest). The 2016-17 referendum levels were announced with the provisional settlement and the government is giving these 51 councils the opportunity to either increase its band d council tax by £5 or 2%, whichever is the greater. A chart showing the potential future position, based on the government's assumptions on council tax increases, is shown at Appendix 5. This shows that even if the council tax were

to increase by £5 pa for each year over the medium term, this council would still be in the lowest quartile, and one of the lowest council taxes in the country.

- 6.21 A council tax increase of £5 in 2016-17 has been included in the projections, which is below the current referendum limit. The impact of this over the medium term is total additional council tax income of £225k, and an additional £56k pa above the current referendum level of 1.99%. This would add £117k pa to council tax income.
- 6.22 This amendment to the referendum levels will also be available for the years 2017-18 to 2019-20, but our ability to use this opportunity will depend on the decision the other 50 councils make, and how this impacts on our ranking. Therefore, for these years, a council tax increase of 1.99% has been built into the calculations and will be amended each year once our ranking is known.
- 6.23 If council tax is raised higher than the government referendum limit 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, for the referendum would also need to be considered
- 6.24 The council needs to consider all ways to increase its spending power, given the significant reduction in 2016-17. As council tax is a key component of the spending power calculation the Head of Finance, as Section 151 Officer, recommends members agree a council tax increase of £5 or 2 % (whichever is the greater) for 2016-17, and provisionally for 2017-18 to 2019-20, the maximum allowed before referendum is needed. The decision to increase council tax would benefit the council's finances not only in 2016-17, but more so over the medium term.
- 6.25 A £5 increase on the average Band D is an increase of 5.22%, equal to approximately £0.10p per week or £0.42p per month .This figure will be included in the overall increase in council tax payable of approx. £51 for a Band D property, assuming the County Council and Police and Crime Commissioner both raise their precepts by the maximum allowed under referendum.

Economic outlook

- 6.26 The impact of the country's economic climate has had the following significant effect on the council's budget for 2016-17 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 2016-17. 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.
 - CPI for December 2015 has fallen to, or near to, 0% which is at its lowest level for some considerable time. This was mainly due to the falling prices of fuel and food. Whether this is a long term shift to lower inflation remains to be seen.

- Whilst no longer in recession the local economy is still suffering from the long term effects, and is slowly starting to recover. However, income from services that reflect economic activity including planning application fees, building control charges and rental income from the council's commercial properties may still be at a reduced level in the coming months. 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 2016-17

- 7.1 The revenue estimates are summarised in Appendix 1 to the report. This is fundamentally a stand still position for most budgets based on budget submissions received from service managers after vetting by the accountancy team. Most of the known changes to services have been included in these figures and any further changes will be reported as part of the budget monitoring process in year.
- 7.2 This appendix shows the base budget for 2016-17 and assumes a £5 increase in Council Tax for 2016-17. The budgeted use of reserves in 2016-17 will be approximately £640k but this could reduce if and when further savings are found or higher income levels achieved for 2016-17.

Budget forecasts 2017-18 to 2019-20

- 7.3 The budget forecasts for the medium term are set out in Appendix 3.
- 7.4 The figures are a logical progression from those presented for 2016-17 and take into account those key factors for which the details are known or assumed in the Medium Term Financial Strategy. It is recognised, 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 budget gap of £600k in 2016-17 and this will increase in subsequent years, giving a projected deficit of £1.3m by 2019-20. 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.
- 7.5 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 2016-17 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.
- 7.6 The S151 Officer's Section 25 report at Appendix 8 covers this in more detail.

8 General fund balance

The most recent outturn projections for the current financial year indicate that the council's general fund balance at 31st March 2015 will be £4.5m. This is considered to be a reasonable but prudent level, given the reliance on reserves to balance the current budget and no firm proposals to address this for future years.

9 Collection fund deficit and council tax

- 9.1 There is an estimated surplus on the collection fund for 2015-16 of £32k, of which the Wellingborough share is £3k. This surplus has been taken into account in setting the council tax for 2016-17 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 2016-17 has already been agreed as 23,480. The Council Tax resolution for 2016-17 will be presented to Council on 1 March 2016. This will include the council tax for the borough council, county council and Police and Crime Commissioner.
- 9.4 The position in respect of Band D council tax for the borough council is as shown below:

	2015-16	2016-17	%
Average Band D Council Tax (Excluding local precepts)	£131.22	£136.09	3.71
Of which:			
Borough Council – Band D	£95.71	£100.71	5.22
Wellingborough town rate – Band D	£59.24	£59.24	0.00

10 Budget consultation

- 10.1 At the Resources Committee meeting of 9 December 2015, 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, using Survey Monkey. 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, 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 receptions.
- 10.3 The feedback from the consultation process is set out in Appendix 6.

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 8.
- 11.2 This report also covers 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 uses 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 2016-17 has been set at 49.7p in the £ (2015-16 49.3p) and 48.4p 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 use of reserves in the short term	Possible	Robust monitoring of the variables and periodic refreshing of data
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.

19 Author and contact officer

Samantha Knowles – Principal Finance Manager

20 Consultees

John Campbell – Chief Executive

Liz Elliott – Head of Finance

Bridget Gamble – Head of Resources

Julie Thomas – Head of Planning and Local Development

21 Background papers

Medium Term Financial Strategy Report – Resources Committee Dec 2015.

2016/17 Budget Analysis

Service Area	Original Budget 2015/16 £000's	Projected Outturn 2015/16 £000's	Original Budget 2016/17 £000's	Comments
Environmental Health Protection	414	485	403	Additional restructure savings
Regulatory Services	414	485	403	
Housing	541	517	445	Includes £66k private sector leasing savings, £12k care and repair contributions and additional Keyways income £10k
Planning Policy and Regeneration	781	798	625	The 2015/16 budget is overstated as it includes £95k of resources which are funded from earmarked reserves. Also includes savings on the cost of the Joint Planning Unit £45k, increased cost of the Local Plan £30k and Neighbourhood Planning income of £20k
Planning and Building Control	20	38	-9	Includes a reduction in Building Control income £24k, an increase in planning income £21k and £16k establishment related savings
Planning and Local Development	1,342	1,353	1,061	
Total for Head of Planning and Development	1,756	1,838	1,464	
Environmental Maintenance	2,989	3,004	2,994	
Waste and Transport	1,130	1,103	1,115	An increase in recycling income £39k partially offset by a reduction in NORSE profit share £14k and a reduction in vehicle depreciation income £10k
Total for Environmental Services	4,119	4,107	4,109	
Community Support	1,402	1,546	1,356	Reduction in Community Support contributions £39k
Organisational Development	216	216	205	
Democratic Services	864	866	879	Register of Electors increase £36k partially offset by general savings across the service
Operational Property	816	816	817	
Investment Property	-1,318	-1,390	-1,300	
Total for Head of Resources	1,980	2,054	1,957	
Information Technology Shared Service	945	990	1,033	Increase in cost of shared service £53k and virement of telephone and photocopier costs from other services £65k, partially offset by contract savings £23k
District Law Shared Service	150	150	146	
Accountancy	542	543	546	
Internal Audit	65	65	65	
Revenues and Benefits	106	133	222	Benefits subsidy payments adjustment
Total for Head of Finance	713	741	833	
Corporate Contingency	6	-74	5	
Bad Debt Provision	10	10	10	
Depreciation & Amortisation	-1,395	-1,540	-1,395	
Non Distributed Costs- Pension Fund	1,355	1,355	1,355	
Investment Income	-312	-225	-225	Reduction in investment interest
Audit Fee & Bank Charges	74	66	66	
Other Income and Expenditure	-262	-408	-184	
Corporate Management	188	188	188	
Parish Precepts	458	459	479	Increase in precept requirements from the parishes
TOTAL	10,046	10,119	10,025	

Pressures and savings included as part of the 2016-17 Budget

2015/16 Base Budget b/f: £'000	10,046
<i>Increases to Net Budget: £'000</i>	
Benefit subsidy adjustment	114
Reduction in Investment Income	88
Cost of IT shared service costs	53
Register of Electors statutory changes	36
Reduction in Building Control Income	24
Increase in funding requirements from the parishes	21
Decrease in NORSE profit share	14
Increase in street lighting costs	12
Reduction in NORSE vehicle depreciation income	10
<i>Net Increases £'000</i>	372
<i>Decreases to Net Budget:£'000</i>	
Private Sector Leasing costs	-66
Savings on the JPU contract	-45
Recycling income increase	-39
Reduction in Community Support	-39
Establishment savings	-29
Savings on the cost of property business rates	-29
Savings on software contracts	-23
Increase in planning application income	-21
Additional Neighbourhood Plan income	-20
Increase in income from property rents	-14
Reduction of Home Improvement Agency contributions	-12
Environmental Health restructure savings	-11
Corporate training savings	-11
Additional income from choice based lettings	-10
Net service savings across the authority	-24
<i>Net Decreases £'000</i>	-393
2016/17 Total Budget Requirement	10,025

Appendix 3

Medium Term Financial Projections 2016-17 to 2019-20

	2015/16	2016/17	2017/18	2018/19	2019/20
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Current spending levels B/F	10,922	10,046	9,888	9,527	9,583
Net Changes - Standstill Budget	- 50	-21			
Revised spending levels	10,872	10,025	9,888	9,527	9,583
Inescapable pressures - Operational:					
Pay Inflation	-	-	50	50	50
Additional Contributions to offset Pension Strain	70	70	70	70	70
Insurance premiums	-30				
NI pressures from national contracting out changes		-			
Local Plan pressures	87	126	-213		
Planning Appeals		100	-100		
Borough Elections	100	-100			120
Partnership/Contract Savings:					
Norse Partnership fee changes	-205	-	-40	-40	-40
Castle Contact Savings - 15% Annual	-38	-33	-28	-24	-21
Contract & Procurement savings	-300				
Service Transformation					
Shared Services	-175				
Asset Management & Service Review:					
Glamis Hall	-185				
Statutory/National Changes:					
Changes in welfare reform demand pressures	-150	-100			
Invest to Save:					
Crematorium Operating net income		-100	-100		
Investment property income		-100			
Total Changes to Base spending levels	-826	-137	-361	56	179
Revised spending levels C/F	10,046	9,888	9,527	9,583	9,762
Financed by:					
Previous use of reserves or savings to be identified:	-564	-625	-575	-664	-1,022
Central Government Funding	-1,663	-1,239	-774	-499	-191
Efficiency Support Grant (one off)	-74	-	-	-	-
Council Tax Freeze Grant	-32	-	-	-	-
Business Rates Retention Scheme - Baseline	-2,197	-2,215	-2,259	-2,325	-2,400
Business Rates Retention Scheme - Growth	-786	-587	-599	-617	-636
Business Rates Retention Scheme - Pooling Benefit	-190	-294	-299	-308	-318
Section 31 Grant	-501	-479	-	-	-
Business Rates Collection Fund (-surplus/deficit)	699	679	-	-	-
Total Business Rates Income	-2,975	-2,896	-3,157	-3,250	-3,354
Council Tax - Baseline	-3,501	-3,529	-3,658	-3,734	-3,812
Council Tax - Growth (1.5%)	-	-28	-64	-103	-142
Council Tax - Band D Increase (£5 & 1.99%)	-	-117	-64	-67	-69
Council Tax Collection Fund (-surplus/deficit)	-130	-3	-	-	-
Total Council Tax Income	-3,631	-3,677	-3,786	-3,904	-4,023
New Homes Bonus additional income above current budget	-1,001	-1,457	-1,146	-908	-905
Planned use of Ear Marked Reserves	-95	-44	-	-	-
Total On going Funding available	-9,471	-9,313	-8,863	-8,561	-8,473
Total Funding including the one off use of reserves from previous years	-10,035	-9,938	-9,438	-9,225	-9,495
Additional savings needed to balance budget/additional use of reserves (+) or reduced need for reserves (-)	11	-50	89	358	267
Original Cumulative Total Savings needed:	575	575	664	1,022	1,289
Changes as a result of in year Budget Monitoring	50	-	-	-	-
Revised Cumulative Total Savings needed:	625	575	664	1,022	1,289
General Fund Reserves as at 1st April	-3,984	-4,524	-3,965	-3,301	-2,279
Less used to fund annual base shortfalls	625	575	664	1,022	1,289
Use of Budget Implementation reserve	-625	-16			
Business Rates Equalisation Reserve					
Contribution -to/from GF Reserves	-540				
Total revised General Fund Balance	-4,524	-3,965	-3,301	-2,279	-990
Minimum Level of Reserves £1.75m					

Initial Ideas for Savings Proposals for 2016-17 and beyond

Budget Savings Objective:

Over the medium term the council needs to ensure it is self-sustaining by adopting the following principles:

- Less reliant on government grants (local and national)
- Generate additional income
 - Commercial prospects
 - Charging polices
- Grow the borough
 - Business rates retention
 - Council tax base growth
 - New Homes Bonus
- Reduce spending by new models of working and increased collaboration

Initial ideas for initial budget consultation

- Set our clear priority outcomes for the medium term to give officers clear directions and a framework for decision making. This will provide a robust system to prioritise competing scarce resources against, in both money and staff time.
- Allocate the limited money and staff time resources to those priorities and reduce spending and staff time on the areas that are not priorities
- Use “windfall income” such as New Homes Bonus to fund discretionary services only and as income reduces , reduce spend on these services
- Keep looking for ideas or solutions to reduce spending and increase income to remove the funding gap and be sustainable
- Make accommodation costs more efficient, potential co-location with other public sector organisations.
- Consider where we can stop spending on non preventative discretionary services
- Consider further collaborations to reduce spending on core services

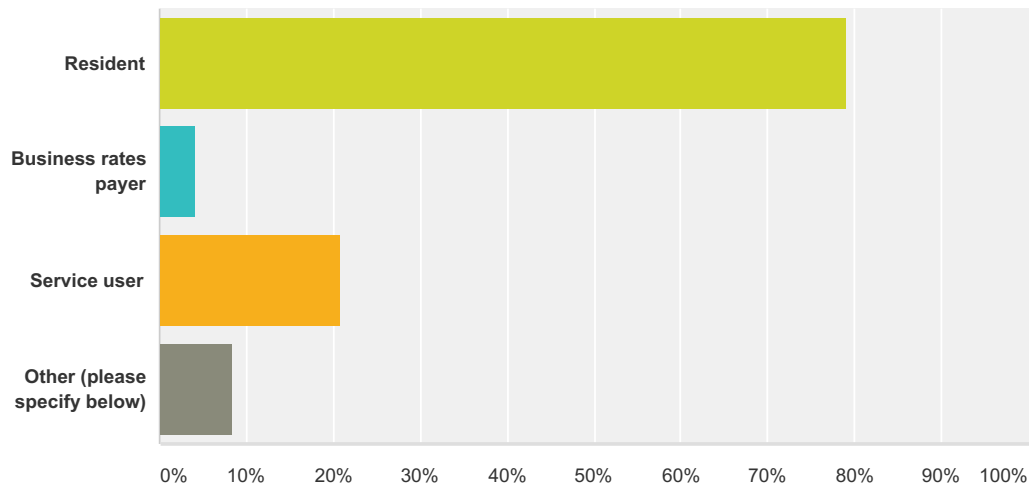
Lowest Quartile Council Tax Figures Assumptions

	2015-16		2016-17		2017-18		2018-19		2019-20
Local authority	RBA	Local authority	RBA	Local authority	RBA	Local authority	RBA	Local authority	RBA
1 Breckland	70.46	Breckland	75.46	Breckland	80.46	Breckland	85.46	Breckland	90.46
2 West Oxfordshire	81.63	West Oxfordshire	86.63	West Oxfordshire	91.63	West Oxfordshire	96.63	West Oxfordshire	101.63
3 Hambleton	89.48	Hambleton	94.48	Hambleton	99.48	Hambleton	104.48	Hambleton	109.48
4 South Staffordshire	95.34	South Staffordshire	100.34	South Staffordshire	105.34	South Staffordshire	110.34	South Staffordshire	115.34
5 Tewkesbury	99.36	Tewkesbury	104.36	Tewkesbury	109.36	Tewkesbury	114.36	Tewkesbury	119.36
6 Basingstoke & Deane	104.44	Basingstoke & Deane	109.44	Basingstoke & Deane	114.44	Basingstoke & Deane	119.44	Basingstoke & Deane	124.44
7 Wychavon	111.79	Wychavon	116.79	Wychavon	121.79	Wychavon	126.79	Wychavon	131.79
8 North Dorset	111.96	North Dorset	116.96	North Dorset	121.96	North Dorset	126.96	North Dorset	131.96
9 Hinckley & Bosworth	112.09	Hinckley & Bosworth	117.09	Hinckley & Bosworth	122.09	Hinckley & Bosworth	127.09	Hinckley & Bosworth	132.09
10 Broxbourne	113.24	Broxbourne	118.24	Broxbourne	123.24	Broxbourne	128.24	Broxbourne	133.24
11 Broadland	113.48	Broadland	118.48	Broadland	123.48	Broadland	128.48	Broadland	133.48
12 South Oxfordshire	114.68	South Oxfordshire	119.68	South Oxfordshire	124.68	South Oxfordshire	129.68	South Oxfordshire	134.68
13 Vale of White Horse	116.69	Vale of White Horse	121.69	Vale of White Horse	126.69	Vale of White Horse	131.69	Vale of White Horse	136.69
14 East Lindsey	119.70	East Lindsey	124.70	East Lindsey	129.70	East Lindsey	134.70	East Lindsey	139.70
15 East Devon	121.78	East Devon	126.78	East Devon	131.78	East Devon	136.78	East Devon	141.78
16 King's Lynn & West Norfolk	122.45	King's Lynn & West Norfolk	127.45	King's Lynn & West Norfolk	132.45	King's Lynn & West Norfolk	137.45	King's Lynn & West Norfolk	142.45
17 South Cambridgeshire	122.86	South Cambridgeshire	127.86	South Cambridgeshire	132.86	South Cambridgeshire	137.86	South Cambridgeshire	142.86
18 Cherwell	123.50	Cherwell	128.50	Cherwell	133.50	Cherwell	138.50	Cherwell	143.50
19 East Northamptonshire	123.65	East Northamptonshire	128.65	East Northamptonshire	133.65	East Northamptonshire	138.65	East Northamptonshire	143.65
20 Charnwood	123.96	Charnwood	128.96	Charnwood	133.96	Charnwood	138.96	Charnwood	143.96
21 West Dorset	127.28	West Dorset	132.28	West Dorset	137.28	West Dorset	142.28	West Dorset	147.28
22 Stratford-on-Avon	128.05	Stratford-on-Avon	133.05	Stratford-on-Avon	138.05	Stratford-on-Avon	143.05	Stratford-on-Avon	148.05
23 Eastleigh	130.07	Eastleigh	135.07	Eastleigh	140.07	Eastleigh	145.07	Eastleigh	150.07
24 Wellingborough	131.22	Wellingborough	136.22	Wellingborough	141.22	Wellingborough	146.22	Wellingborough	151.22
25 South Norfolk	132.31	South Norfolk	137.31	South Norfolk	142.31	South Norfolk	147.31	South Norfolk	152.31
26 Exeter	132.42	Exeter	137.42	Exeter	142.42	Exeter	147.42	Exeter	152.42
27 Wycombe	132.69	Wycombe	137.69	Wycombe	142.69	Wycombe	147.69	Wycombe	152.69
28 Test Valley	132.91	Test Valley	137.91	Test Valley	142.91	Test Valley	147.91	Test Valley	152.91
29 Cotswold	133.05	Cotswold	138.05	Cotswold	143.05	Cotswold	148.05	Cotswold	153.05
30 Huntingdonshire	133.18	Huntingdonshire	138.18	Huntingdonshire	143.18	Huntingdonshire	148.18	Huntingdonshire	153.18
31 Rushcliffe	136.10	Rushcliffe	141.10	Sedgemoor	145.62	Sedgemoor	150.62	Sedgemoor	155.62
32 East Hampshire	137.30	East Hampshire	142.30	Rushcliffe	146.10	Rushcliffe	151.10	Rushcliffe	156.10
33 Forest Heath	137.43	Forest Heath	142.43	East Hampshire	147.30	East Hampshire	152.30	East Hampshire	157.30
34 Malvern Hills	137.60	Malvern Hills	142.60	Forest Heath	147.43	Forest Heath	152.43	Forest Heath	157.43
35 Sedgemoor	137.78	Sedgemoor	142.78	Malvern Hills	147.60	Malvern Hills	152.60	Malvern Hills	157.60
36 West Somerset	137.82	West Somerset	142.82	West Somerset	147.82	West Somerset	152.82	West Somerset	157.82
37 Daventry	138.41	Daventry	143.41	Daventry	148.41	Daventry	153.41	East Cambridgeshire	158.41
38 North Norfolk	138.87	North Norfolk	143.87	Chichester	148.71	Chichester	153.71	South Bucks	156.77
39 Taunton Deane	139.00	Taunton Deane	144.00	North Norfolk	148.87	North Norfolk	153.87	Daventry	158.87
40 South Kesteven	139.62	South Kesteven	144.62	Taunton Deane	149.00	Taunton Deane	154.00	Uttlesford	157.06
41 Horsham	140.03	Runnymede	144.66	South Kesteven	149.62	South Kesteven	154.62	Great Yarmouth	159.62
42 Fareham	140.22	Horsham	145.03	Runnymede	149.66	Runnymede	154.66	Chichester	159.66
43 Blaby	140.52	Fareham	145.22	Horsham	150.03	Horsham	155.03	North Norfolk	160.03
44 Ribble Valley	140.69	Blaby	145.52	Fareham	150.22	East Cambridgeshire	153.21	Taunton Deane	158.21
45 Chichester	140.81	Ribble Valley	145.69	Blaby	150.52	Fareham	155.52	Waveney	158.61
46 Runnymede	141.84	Chichester	145.81	Ribble Valley	150.69	Great Yarmouth	153.69	Tendring	156.75
47 East Cambridgeshire	142.14	East Cambridgeshire	147.14	Chesterfield	150.71	Blaby	155.71	South Kesteven	160.71
48 South Bucks	143.00	Chesterfield	147.77	South Hams	151.27	Ribble Valley	156.27	Runnymede	161.27
49 Uttlesford	143.03	South Bucks	148.00	Ashford	151.30	Chesterfield	156.30	Winchester	159.41
50 Winchester	143.65	Uttlesford	148.03	Babergh	151.82	Warwick	154.84	Stafford	157.92
51 Babergh	143.86								

KEY:
 51st position cut off point to get £5 increase
 Able to increase by £5 and do
 Assumed will increase by 1.75% (Spending Power Projections)

Q1 Are you completing this questionnaire as a (please select all that apply)

Answered: 24 Skipped: 1

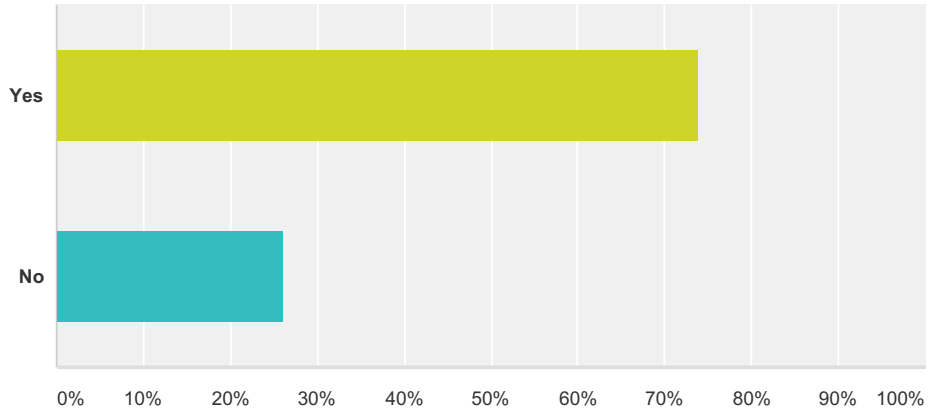


Answer Choices	Responses
Resident	79.17% 19
Business rates payer	4.17% 1
Service user	20.83% 5
Other (please specify below)	8.33% 2
Total Respondents: 24	

#	Other (please specify below)	Date
1	work in the borough	1/7/2016 11:43 AM
2	Employee	1/4/2016 10:11 AM

Q2 Do you support the proposal to increase the borough council element of council tax by 1.99% this year?

Answered: 23 Skipped: 2



Answer Choices	Responses	
Yes	73.91%	17
No	26.09%	6
Total		23

Q3 Do you have any comments you would like to make about the level of council tax?

Answered: 5 Skipped: 20

#	Responses	Date
1	It should be increased by more.	1/15/2016 1:22 PM
2	I would like the council to understand that everyone is tightening their belt and the council should do so as well.	1/10/2016 12:51 PM
3	It is becoming more challenging to identify savings and/or service cuts and at some point, like most things, the price to service users has to increase to help with the burden.	1/4/2016 10:12 AM
4	Should have increased it last year too rather than making cuts to services.	12/12/2015 8:31 AM
5	I would like to see it increased by even more. Perhaps introduce a sliding scale depending on the council tax banding of your home with those living in more expensive housing paying a higher percentage.	12/10/2015 3:51 PM

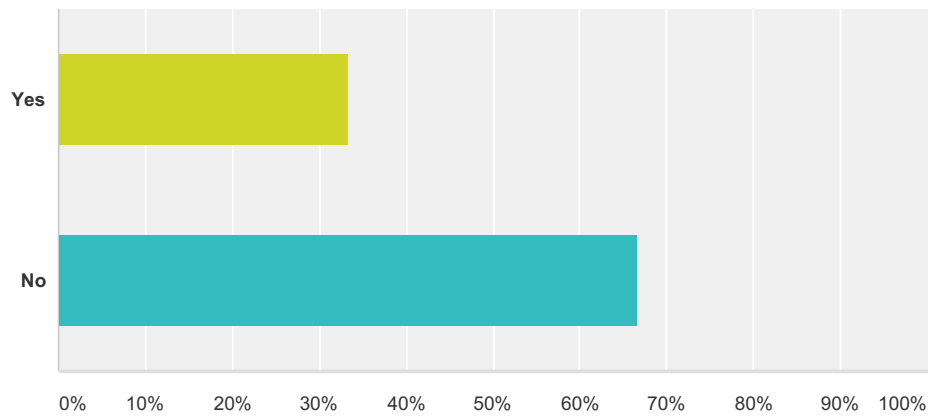
Q4 Please use the space below to provide us with your comments/suggestions on the above

Answered: 7 Skipped: 18

#	Responses	Date
1	Reducing services that you are not obliged to .will unfortunately have to be done at some stage..relocating offices is something to consider ,my only concern would be what will happen to the present building.	1/13/2016 8:58 AM
2	All of the above	1/11/2016 4:05 PM
3	I think the council should stop all non statutory duties.	1/10/2016 12:52 PM
4	More cuts to services = more suffering for vulnerable local people. Perhaps the major does not need a chauffeur driven limo and possibly we could do without spending so much on Chief Execs?	1/4/2016 6:56 PM
5	Agreed.	1/4/2016 10:28 AM
6	1. Definitely work more in collaboration with other service providers if it means things can be done more economically and efficiently 2. Not sure what this means 3. Absolutely - see 1. above 4. Again, see 1. above	12/10/2015 3:51 PM
7	Agree with 1,3 & 4. Pt 2 would be OK, as long as these services don't become 'expected' in the longer term when unaffordable. However, it could help with transition in the short term.	12/10/2015 3:03 PM

Q5 Are there any specific areas where you think we should increase the charges?

Answered: 12 Skipped: 13



Answer Choices	Responses	
Yes	33.33%	4
No	66.67%	8
Total		12

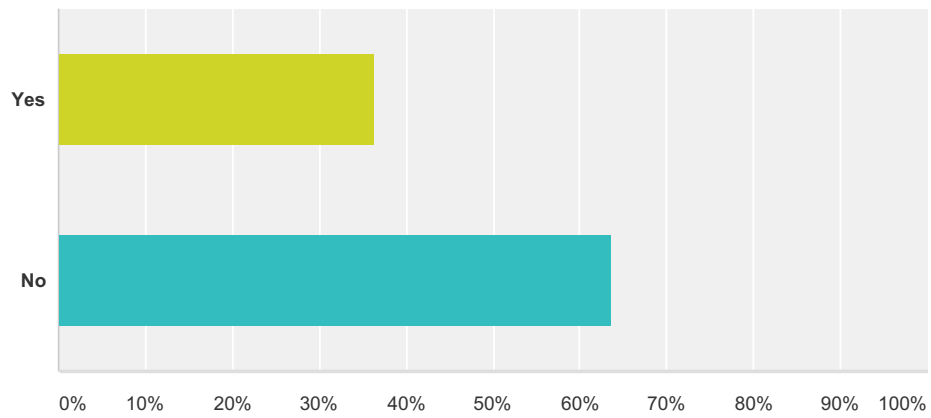
Q6 Please use the space below for any comments

Answered: 6 Skipped: 19

#	Responses	Date
1	Fair ground charges	1/13/2016 9:22 AM
2	Difficult to determine when the fees & charges does not show how much income is generated from the fees & charges from the previous year. Increases may make very little impact if they're suggested by the public for something that isn't often used.	1/11/2016 12:22 PM
3	I think you should stop non statutory services and reduce spending. Don't pass on costs to the taxpayer	1/10/2016 12:53 PM
4	Licence fees for establishments selling alcohol for consumption off premises including branches of national supermarket chains.	12/28/2015 10:05 AM
5	All fees to or for commercial organisations - licenses etc	12/10/2015 3:54 PM
6	All fees should be rounded up to an appropriate level.	12/10/2015 3:08 PM

Q7 Are there any specific areas where you think we should reduce the charges?

Answered: 11 Skipped: 14



Answer Choices	Responses	
Yes	36.36%	4
No	63.64%	7
Total		11

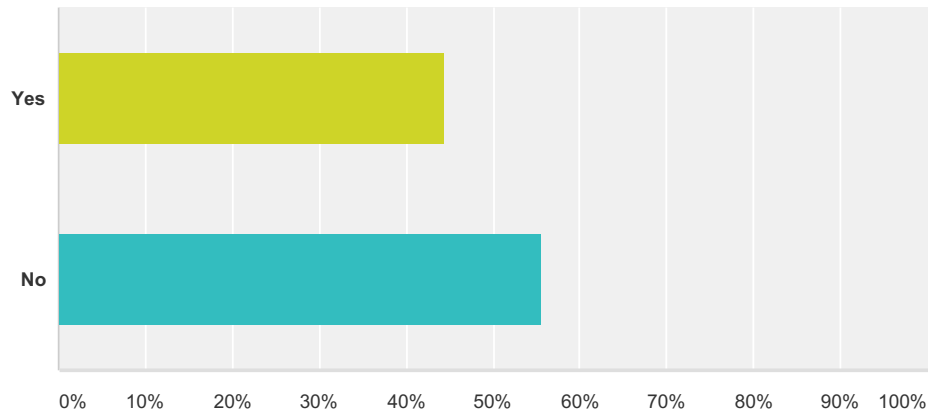
Q8 Please use the space below for any comments

Answered: 3 Skipped: 22

#	Responses	Date
1	Reduce the charge for bulky household waste collections - charges are now to high and Increases the likelihood of fly tipping	1/11/2016 4:13 PM
2	Bulky waste collection should be reduced for pensioners and people on benefits	12/10/2015 3:54 PM
3	Fees should be abandoned where the cost of collection outweighs the net income eg charges of £1	12/10/2015 3:08 PM

Q9 Are there any services that we provide where you think a charge should be introduced?

Answered: 9 Skipped: 16



Answer Choices	Responses	
Yes	44.44%	4
No	55.56%	5
Total		9

**Q10 Please use the space below for any
comments**

Answered: 3 Skipped: 22

#	Responses	Date
1	Could we charge for Licensing Appeal applications?	1/4/2016 10:31 AM
2	Car parking Members should be asked to pay for printed agendas/minutes being sent to them - they should be expected to print them for themselves.	12/10/2015 3:54 PM
3	Car parking	12/10/2015 1:15 PM

Fees & Charges for the 2016/17 Financial Year

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
<u>Council Minutes etc.</u>			
<u>Minutes</u>			
Commercial Concerns	Zero Rated	153.20	153.20
Political Parties			
<u>Planning Committee</u>			
Agendas, reports and minutes	Zero Rated	306.40	306.40
Minutes	Zero Rated	77.50	77.50
<u>Register of land held by Public Bodies</u>			
Copy of an entry	VAT Exclusive	13.40	13.40
Duplicate sheet	VAT Exclusive	0.40	0.40
<u>Freedom of Information Act</u>			
Requests for information	O/S Scope		
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. 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.			
Register of Electors (Full or Open) - Paper Copy	O/S Scope	£10, plus £5 per 1000 entries (or part thereof)	
Register of Electors (Full or Open) - Data Copy	O/S Scope	£20, plus £1.50 per 1000 entries (or part thereof)	
Certificate of Residency	O/S Scope	15.00	
<u>Cemeteries</u>			
<u>Interments-Public & Purchased Graves (Monday - 11.30 Friday)</u>			
Age to 1 month	Exempt	No charge	No charge
Over 1 month - 16 years	Exempt	No charge	No charge
Over 16 years			
Depth to 6 ft.	Exempt	358.10	358.10
Per additional ft.	Exempt	72.40	72.40
Chamber - Single Interment	Exempt	262.90	262.90
Chamber - Double or Second Interment	Exempt	476.20	476.20
Cremated Remains	Exempt	83.80	83.80
Memorial Chambers	Exempt	77.50	77.50
Prepurchased mausoleum	Exempt	753.60	753.60
<u>Interments-Public & Purchased Graves (Friday after 11.30am to 3.30pm, Saturday 9.00am -10.30 am)</u>			

Appendix 7

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
Depth to 6 ft.	Exempt	537.20	537.20
Per additional ft.	Exempt	108.60	108.60
Chamber - Single Interment	Exempt	394.40	394.40
Chamber - Double or Second Interment	Exempt	714.20	714.20
Cremated Remains	Exempt	126.20	126.20
Memorial Chambers	Exempt	116.90	116.90
Prepurchased mausoleum	Exempt	1130.40	1130.40

* 50% uplift to basic charges with figures shown below rounded up to the nearest 10p

Exclusive Rights

Earth Graves (9 ft. x 4 ft.)	Exempt	368.00	368.00
Childs Plot (4 ft. x 3 ft.)	Exempt	180.00	180.00
Memorial Garden (2 ft. x 2 ft.)	Exempt	120.00	120.00
Chamber - Single Interment	Exempt	359.10	359.10
Chamber - Double or Second Interment	Exempt	359.10	359.10
Memorial Chamber, Ashes (Including Plaque)	Exempt	299.10	299.10
Mausoleum - Purchase, facia tablets and inscription	Exempt	3264.10	3264.10

Memorials

Vase or Tablet	Exempt	33.10	33.10
Headstone or other monument	Exempt	182.20	182.20
Kerb	Exempt	103.50	103.50
Additional inscriptions	Exempt	51.70	51.70
Replacement of headstones	Exempt	58.90	58.90
Use of chapel	Exempt	36.10	36.10
Use of organ	Exempt	36.10	36.10
Search Fee	VAT inclusive	40.20	40.20

Special Conditions

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.

Maintenance of Graves

Levelling and turfing grassed graves on one occasion	Exempt	85.80	85.80
Maintaining other graves for 25 years	Exempt	703.90	703.90
Planting on a single occasion	Exempt	58.90	58.90
Spring & Summer flowers for 25 years	Exempt	1408.90	1408.90

Appendix 7

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
<u>Swanspool Pavilion</u>			
Monday to Saturday- Minimum Charge (3 hours) Off Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	Exempt	14.90	14.90
Level 2 - Open, set out, clear away and close.	Exempt	19.00	19.00
Level 3 - As 2 but remain present.	Exempt	26.80	26.80
Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	Exempt	19.00	19.00
Level 2 - Open, set out, clear away and close.	Exempt	26.80	26.80
Level 3 - As 2 but remain present.	Exempt	29.90	29.90
<u>Tithe Barn</u>			
Off Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	Exempt	19.00	19.00
Level 2 - Open, set out, clear away and close.	Exempt	22.70	22.70
Level 3 - As 2 but remain present.	Exempt	35.10	35.10
Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	Exempt	22.70	22.70
Level 2 - Open, set out, clear away and close.	Exempt	35.10	35.10
Level 3 - As 2 but remain present.	Exempt	42.40	42.40
<u>Finedon Town Hall</u>			
Off Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	Exempt	14.90	14.90
Level 2 - Open, set out, clear away and close.	Exempt	19.00	19.00
Level 3 - As 2 but remain present.	Exempt	26.80	26.80
Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	Exempt	19.00	19.00
Level 2 - Open, set out, clear away and close.	Exempt	26.30	26.30
Level 3 - As 2 but remain present.	Exempt	29.90	29.90

Appendix 7

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
<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	64.10	64.10
Hire of Piano (where available)	Exempt	2.50	2.50
Licensed Bar Facilities (per booking)	Exempt	38.20	38.20
<u>Parks</u>			
Floral Decorations	Exempt	31.00	31.00
Chairs - Charge per chair per day	Exempt	1.00	1.00
Bandstand Section - each per day	Exempt	3.50	3.50
Castlefields Bandstand - per day	Exempt	10.00	10.00
<u>Fairs</u>			
Charged at a daily rate per operating day for areas of land up to 15,000 square metres	Exempt	262.90	262.90
Additional 25% charged for any Bank Holiday on which the fair is operating	Exempt	328.60	328.60
Returnable deposit to be paid by the fair operators, some or all of which may be retained by the Council	Exempt	698.70	698.70
<u>Parks Games</u>			
Football	VAT Inclusive	42.40	42.40
Cricket -Day Matches	VAT Inclusive	50.70	50.70
Cricket -Evening Matches	VAT Inclusive	34.10	34.10
Tennis per court (per 45 minutes)	VAT Inclusive	4.60	4.60
Bowls-Per Rink (per hour)	VAT Inclusive	4.60	4.60
Equipment Hire Charges-Per Item (Query the proposed charge)	VAT Inclusive	1.00	1.00
Equipment Hire charges-Deposit (per session)	VAT Inclusive	6.60	6.60
Parks Games - Percentage increase in fees and proposed charge includes VAT rate at 20%.			
<u>Planning</u>			
Planning Application Fees			
Supply of a set of map extracts for Planning and Building Regulation Applications	VAT Inclusive Zero Rated	Statutorily determined 25.80	Statutorily determined 25.80
Pre application Advice			

Appendix 7

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
<u>Copying Charges</u>			
Planning Decisions notices or other stored or mirrored document			
Duplicate Sheet			
Written Information from Archived Files to Solicitors and members of the public (per question)	VAT Exclusive	15.30	15.30
	VAT Exclusive	0.40	0.40
	O/S Scope	36.10	36.10
Paper copies of any document (including TPOs and S106 agreements)			41.40
Electronic emailed documents (TPO and section 106 Agreements and any other documents)	VAT Exclusive	41.40	15.90
<u>Pest Control - General Charges - All premises</u>			
Charge inclusive of Materials	VAT Exclusive	61.00	61.00
Call out charge- if treatment not required	VAT Exclusive	15.40	15.40
<u>Food Safety</u>			
Street Trading - Licence	O/S Scope	1165.60	1165.60
- Consent	O/S Scope	781.50	781.50
Food Export Certificate		81.70	81.70
Voluntary Surrender of Food		£35 per hr	£35 per hr
<u>Private Water Supplies</u>			
Risk assessment		35- 500	35- 500
Sampling per visit (£35 per hour)		35-100	35-100
Other Investigations (£35 per hour)		35-100	35-100
Grant of Authorisation		100.00	100.00
Analysis of Samples			
Under Regulation 10		0-25	0-25
Taken during Check monitoring		0-100	0-100
Taken during Audit monitoring		0-500	0-500
<u>Control of Stray Dogs</u>			
Collection of a stray dog fee		45.00	45.00
Kennelling fee per day		7.00	7.00
<u>Health & Safety</u>			

Appendix 7

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
Factual report requested for civil actions	O/S Scope	156.20	156.20
<u>Health Courses</u>			
Food Hygiene/Health & Safety Courses			
Individual	VAT Exclusive	61.00	61.00
Group	VAT Exclusive	458.50	458.50
<u>Other Licensing</u>			
Vehicle licence	O/S Scope	187.80	187.80
Driver's Licence, original and renewal (1years)	O/S Scope		35.00
Driver's Licence original and renewal (3years)	O/S Scope	104.50	138.00
Operator's Licence, original and renewal (1 year)	O/S Scope		35.00
Operator's Licence, original and renewal (5 years)	O/S Scope	305.40	307.00
Trailers	O/S Scope	60.00	60.00
Hackney Carriage Knowledge Test	O/S Scope	40.00	41.00
Private Hire Drivers Test	O/S Scope	10.00	10.00
Transfer of Vehicle Licence (paperwork only, no plates)	O/S Scope	22.40	22.40
Temporary Vehicle Transfer (plates included)	O/S Scope	68.00	68.00
Personal Plate Application (plates included)	O/S Scope	68.00	68.00
In Year Permanent Vehicle Replacement	O/S Scope	68.00	68.00
Temporary Drivers Badge	O/S Scope	15.00	16.00
Spares and Replacements:			
Rear Vehicle Plate	O/S Scope	25.00	25.00
Hackney Internal Plate	O/S Scope	17.00	17.00
Private Hire Internal Plate	O/S Scope	18.00	18.00
Bracket	O/S Scope	25.00	25.00
Windscreen Pouch	O/S Scope	8.00	8.00
Lost Drivers Badge Replacement	O/S Scope	15.00	16.00
Change in name on Drivers Licence	O/S Scope	15.00	16.00
Change of address	O/S Scope	7.00	8.00
<u>Private Sector Housing</u>			
Border Agency inspection certificates	VAT Exclusive	114.80	114.80
Licence Application Fee for Houses in Multiple Occupation-Preliminary application	O/S Scope	144.90	144.90
Licence Application Fee for Houses in Multiple Occupation-Secondary application Maximum Fee	O/S Scope	201.70	201.70

Appendix 7

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
Enforcement - minimum fee			
<u>Energy Assessments</u>			
Energy Performance Certificates	VAT Exclusive	64.10	64.10
Non domestic Energy Performance Certificates			
<u>CODE for Sustainable homes</u>			
Design Stage Assessment : Minimum fee		750.50	750.50
Design Stage Assessment : Per unit		75.50	75.50
Post Construction Review : Minimum fee		750.50	750.50
Post Construction Review : Per unit		108.60	108.60
<u>Keyways - Advertising of Housing Association Properties</u>			
	VAT Exclusive		
Per Advert		70.00	70.00
Per New Build Advert		35.00	35.00
Nominations returned within 3 days - 25% discount			
Commencement of tenancy notification within 1 day - 25% discount			
<u>Building Control (excluding Countywide fees)</u>			
Building Control Charges	VAT Inclusive	36.10	36.10
Copies of Building Regulation Approvals, Completion Certificates, Regularisation Certificates and any other stored document (Microfiched or stored applications)	O/S Scope	45.50	45.50
Copies of Building Regulation Approvals, Completion Certificates, Regularisation Certificates and any other electronically stored document available for emailing	O/S Scope	0.40	0.40
Duplicate or second page			
Re-charge plan fee for applications rejected twice.			
Written Information from Archived Files to Solicitors and members of the public (per question)		15.90	15.90
Desk top research and letter to confirm exempt work for Building Regulations	VAT Exclusive	55.80	55.80
Supervised Viewing of Files (per hour or part thereof)	VAT Exclusive	70.30	70.30
Site visits requested for investigation or advice in respect of Building Regulation matters OF ANY TYPE (not subject to a current application)		72.40	72.40
Withdrawal of Application before work commences or full plans examination takes place, and a refund of the fee is requested		64.10	64.10
<u>Bulky Waste Collection</u>			

Appendix 7

	VAT Status	Current Charge 2015/16 £	Proposed Charge 2016/17 £
Up to 5 items	O/S Scope	35.60	35.60
Swanspool House (Meeting rooms)			
Off Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	VAT Exclusive	19.00	19.00
Level 2 - Open, set out, clear away and close.	VAT Exclusive	22.70	22.70
Level 3 - As 2 but remain present.	VAT Exclusive	35.10	35.10
Peak - Per Hour (Min. 2 hours)			
Level 1 - Open and close.	VAT Exclusive	22.70	22.70
Level 2 - Open, set out, clear away and close.	VAT Exclusive	35.10	35.10
Level 3 - As 2 but remain present.	VAT Exclusive	42.40	42.40

Appendix 7 (ii)

Market Charges from 1st April 2016

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 £	Main Market £
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 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 Fees for 2016-2017

Current Fees from 1st April 2015 - 2016

	<u>Single Pitch</u>				
	Annual	Quarterly	Monthly	Weekly	Daily
Food & Drink	2,500	1,500	400	150	35
Other	1,700	1100	400	150	35
Entertainment (*)	150	100	70	20	15
No charge for registered Charities					

Proposed Fees from 1st April 2016 - 2017

	<u>Single Pitch</u>				
	Annual	Quarterly	Monthly	Weekly	Daily
Food & Drink	2,500	1,500	400	150	35
Other	1,700	1100	400	150	35
Entertainment (*)					
No charge for registered Charities					
	Fees to be removed				

Double Pitch

	Annual	Quarterly	Monthly	Weekly	Daily
Food & Drink	3,000	1,750	600	200	60
Other	2,000	1350	600	200	60
Entertainment (*)	200	150	120	30	20
No charge for registered Charities					

Double Pitch

	Annual	Quarterly	Monthly	Weekly	Daily
Food & Drink	3,000	1,750	600	200	60
Other	2,000	1350	600	200	60
Entertainment (*)					
No charge for registered Charities					
	Fees to be removed				

*Not exceeding 6 persons.

Single Pitch (4m x 4m)

Containing no'1 3m x 3m gazebo with an additional 0.5m surrounding cordon to be used only for hanging space. 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 no'2 3m x 3m gazebo with an additional 0.5m surrounding cordon to be used for hanging space. Kiosk, trailer, barrow or other trading premises less than 6 metres long which is removed at the end of each trading day.

LICENSING ACT 2003:**Premises: Alcohol and Entertainment****1 Premises and Club Application and Annual fees**

Premises that are licensable will be allocated to a fee band according to rateable value.

Each band attracts a different level of Application Fee and Annual Fee. Annual Fees become payable one year after the grant of the licence.

Rateable Value	Band	Application Fee	Application Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises	Annual Fee	Annual Fee Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises
No rateable value to £4,300	A	£100	n/a	£70	n/a
£4,301 to £33,000	B	£190	n/a	£180	n/a
£33,001 to £87,000	C	£315	n/a	£295	n/a
£87,001 to £125,000	D	£450	£900	£320	£640
£125,001 and above	E	£635	£1,905	£350	£1,050

VAT is not applicable to these fees

2 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 Application Fee	Additional Application Fee
5,000 to 9,999	£1,000	£500
10,000 to 14,999	£2,000	£1,000
15,000 to 19,999	£4,000	£2,000
20,000 to 29,999	£8,000	£4,000
30,000 to 39,999	£16,000	£8,000
40,000 to 49,999	£24,000	£16,000
50,000 to 59,999	£32,000	£16,000
60,000 to 69,999	£40,000	£20,000
70,000 to 79,999	£48,000	£24,000
80,000 to 89,999	£56,000	£28,000
90,000 and over	£64,000	£32,000

VAT is not applicable to these fees

The Licensing Authority charges other fees in relation to their duties under the Act, most notably for temporary events and personal licences:

3 Temporary Events and Other Fees

Item	Fee
Temporary event notice	£21.00
Theft, loss etc of temporary event notice	£10.50
Theft, loss etc of premises licence, club certificate or summary	£10.50
Application for a provisional statement where premises being built, etc	£315.00
Notification of change of licensee 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
Notification of change of name or alteration of rules of club	£10.50
Change of relevant registered address of club	£10.50
Right of freeholder etc, to be notified of licensing matters	£21.00
DPS Community premises condition removal	£23.00
Minor Variation	£89.00

VAT is not applicable to these fees

4 Personal Licences

Item	Fee
Application for a grant or renewal of a personal licence	£37.00
Duty to notify change of name or address	£10.50
Theft, loss etc of personal licence	£10.50

VAT is not applicable to these fees

GAMBLING ACT 2005:

1 Schedule of Fees for Gambling Act 2005 – Premises Licence Fees (£)

Category Of premises licence	New Application	Variation	Transfer	Re-instatement	Provisional statement	Prov. Stat. to full licence	Copy Licence	Notification of change	Annual Fee
Existing Casino Estimate	N/A	£758.66	£512.78	£512.78	N/A	N/A	£29.42	£57.79	£1,140.10
New Small Casino Estimate	£3,036.75	£1,518.38	£684.06	£684.06	£3,036.75	£1,140.10	£29.42	£57.79	£1,898.76
New Large Casino Estimate	£3,796.47	£1,898.76	£816.46	£816.46	£3,796.47	£1,898.76	£29.42	£57.79	£3,796.47
Regional Casino Estimate	£5,695.23	£2,847.61	£2,467.23	£2,467.23	£5,695.23	£3,036.75	£29.42	£57.79	£5,695.23
Bingo Club Estimate	£1,328.19	£663.05	£457.10	£457.10	£1,328.19	£457.10	£29.42	£57.79	£380.38
Betting Premises (Excl. tracks) Estimate	£1,392.41	£569.53	£457.10	£457.10	£1,392.41	£457.10	£29.42	£57.79	£263.75
Tracks Estimate	£948.86	£474.95	£360.43	£360.43	£948.86	£360.43	£29.42	£57.79	£380.38
Licensed FEC Estimate	£758.66	£380.85	£360.43	£360.43	£758.66	£360.43	£29.42	£57.79	£270.05
Adult Gaming Licence Estimate	£758.66	£380.85	£380.85	£514.86	£758.66	£758.66	£29.42	£57.79	£379.34

VAT is not applicable to these fees

2 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

VAT is not applicable to these fees

** new ## existing

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

VAT is not applicable to these fees

ENVIRONMENTAL HEALTH LICENSING:

Services	Current Charge (excluding VAT)	VAT (if applicable)	Current Charge (including VAT)	Estimate
1 Animal Boarding Commercial	£211.00	ZERO	£211.00	£214.17
2 Animal Boarding Domestic Home	£204.00	ZERO	£204.00	£207.06
3 Dangerous Wild Animals**	£189.00	ZERO	£189.00	£191.84
4 Zoo Licence	£501.00	ZERO	£501.00	£508.52
5 Dog Breeding Establishment**	£178.00	ZERO	£178.00	£180.67
6 Ear Piercing, Acupuncture, Electrolysis, Skin colouring and Tattooing:				
Registration of New Premises & Practitioners	£217.00	ZERO	217	£220.26
Add/Remove Practitioner(s)	£49.00	ZERO	£49.00	£49.74
7 Sex Shops:				
Application	£1,120.00	ZERO	£1,120.00	£1,136.80
Renewal	£298.00	ZERO	£298.00	£302.47
8 Pet Shops:				
Application	£189.00	ZERO	£189.00	£191.84
9 Riding Establishments**	£232.00	ZERO	£232.00	£235.48
10 Scrap Metal Dealers Licence				
Site Licence	£325.00	ZERO	£325.00	£329.88
Collectors Licence	£240.00	ZERO	£240.00	£243.60
Variation to Site Licence	£65.00	ZERO	£65.00	£65.98
Duplicate Copy Licence	£15.00	ZERO	£15.00	£15.23
11 Boat Licences				
New Licence	£150.00	ZERO	£150.00	£152.25
New Plaques	£50.00	ZERO	£50.00	£50.75
Renewal	£100.00	ZERO	£100.00	£101.50
12 Mobile Homes:				
<u>Application Fee:</u>				
1 - 10 pitches	£148.00	ZERO	£148.00	£148.00
11 - 50 pitches	£198.00	ZERO	£198.00	£198.00
51 - 100 pitches	£248.00	ZERO	£248.00	£248.00
101 + pitches	£298.00	ZERO	£298.00	£298.00
<u>Annual Fee</u>				
1 - 5 pitches	Exempt	ZERO	Exempt	Exempt
6 - 10 pitches	£98.00	ZERO	£98.00	£98.00
11 - 50 pitches	£123.00	ZERO	£123.00	£123.00
51 - 100 pitches	£148.00	ZERO	£148.00	£148.00
101 + pitches	£173.00	ZERO	£173.00	£173.00
Depositing, varying or deleting Site Rules	£98.00	ZERO	£98.00	£98.00

** excludes veterinary inspection charges

Taxi Licensing Costs 2016 -2017

Drivers

Application Type	Total Cost
HC/PH driver licence – grant, 3 years	£138
HC/PH driver licence – grant, 1 year	£35
HC/PH driver licence – renewal, 3 years	£130
HC/PH driver licence – renewal, 1 year	£35
Replacement badge	£16

Vehicles

Note

Type	Total Cost
Vehicle Licence (HC & PH) - grant, 1 year	£185.46
Vehicle Licence (HC & PH) - renewal, 1 year	£185.46
Transfer of interest for vehicle licence	£21.25
Replacement vehicle with plates	£51.17

Operators

Application Type	Total Cost
Private Hire Operator licence - grant, 5 years	£307
Private Hire Operator licence - grant, 1 year	£106
Private Hire Operator licence - renewal, 5 years	£307
Private Hire Operator licence - renewal, 1 year	£106
PHO licence - per vehicle check	£41

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

1. Introduction

- 1.1. 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.
 - 1.1.1. 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.'
 - 1.1.2. 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).
- 1.2. 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, prior to the beginning of the coming year.. It cannot, however, give any guarantees about the budget's accuracy over the coming 12 months.
- 1.3. 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.

2. Robustness of estimates

- 2.1. The following commentary will focus on the 2016-17 budgets but will also make an assessment of the risks across the medium term.

3. Review of risk in the general fund budget

- 3.1. The Chief Finance Officer considers that, overall, the estimates as recommended are adequate.
- 3.2. However, concerns raised in her previous two years' reports on the ongoing use of reserves with no firm future plans to manage the underlying funding deficit, are still present.

- 3.3. Whilst the budget is technically balanced, correct and accurately reflected, this position is not sustainable and a longer term strategy is required.
- 3.4. The risks on the level of finance available to the council are increasing with the changes to government grants which are diminishing over the medium term. It is imperative that the council uses the next twelve months to agree priorities and projects to transform the council and provide the foundations for ongoing self-sufficiency on funding.
- 3.5. The S151 Officer considers it essential that members fully understand the financial stability and sustainability of the council as presented in the budget, and further outlined in the report, when considering the budgets for the coming year and over the medium term.
- 3.6. The council has the opportunity to take advantage of a medium term settlement proposed by central government in the provisional finance settlement for 2016-17. Whilst the figures may change as part of on-going annual budget setting consultations by central government, the forecast income levels do give some degree of certainty on the levels of funding for future years. The S151 Officer would strongly advise the council to accept the offer and to produce the necessary efficiency plan required as part of this.
- 3.7. Central government's requirement to produce an efficiency plan for the four year settlement is only one of a number of changes proposed in the council's requirement to have a robust medium term financial strategy. Further freedoms over the use of capital receipts for transformational costs also require the production of a longer term efficiency strategy, as evidence that the council is planning for the changes needed in the future to deliver services in a challenging financial environment.
- 3.8. In addition to central government's requirements there is a change to the assessment of the council's Value for Money (VFM) conclusion, performed as part of the external audit of the council's accounts annually. The new VFM conclusion focusses more on the council having proper arrangements to ensure it makes informed decisions and uses resources to achieve planned sustainable outcomes for tax payers and local people. This will focus on the outcomes delivered, measured against planned use of resources to deliver them. A change is needed to the current practice of evidencing the intention to deliver VFM, and requires more robust outcome-based plans to be made.
- 3.9. The continued uncertainty over the funding levels for the period of the medium term financial plan and the need to have more robust solutions to manage within these limited resources means that reserves should be retained as a buffer against the risk of reduced future funding and continued spending at levels above the available resources; if the level of funding falls significantly further and no future plans are developed, this risk may not be fully mitigated if reserves continue to be the only means of achieving a balanced budget.

4. Government grant

- 4.1. Central government are moving away from the previous needs-based assessment of local funding and more towards the council's ability to raise its own funds locally, with incentivised schemes to encourage this. This is evident in the changes in the calculation of core spending power and the assumptions made on the level of council tax to be charged, and growth in the tax base itself.
- 4.2. Revenue Support Grant (RSG) is being drastically cut over the medium term, with a number of other district councils actually seeing negative RSG by the end of the period. The borough council still retains a small amount of RSG and this is included in the forecast resources in the Medium Term Financial Plan but, as outlined in the body of the main budget report, this is significantly less than the current levels, and increases the pressure on the council to find ways to increase its own funding resources just to maintain the levels.
- 4.3. More emphasis is being given on the retention of business rates, predicted to be 100% retained by the local government sector nationally by the end of this parliament. This adds even more uncertainty over the funding for future years as the method of distribution has yet to be decided.
- 4.4. However, it has been stated that with the new resources from this change come new responsibilities, such as bearing the total administration cost of the Local Council Tax Support Scheme currently paid as a grant to us. Consultation on this change will be undertaken in the summer of 2016, but it is clear that central government's intention is to devolve further responsibilities to local government. With the greater financial resources comes greater accountability, and also 100% of the risks and challenges these may bring. Business rates income has been extremely volatile and this is largely out side the control of the council, and will continue to be so in the future.
- 4.5. There is also further risk relating to locally retained business rates in the form of the proposed revaluation and reset by 2020. This could have a significant impact on our baseline funding going forwards. It is therefore essential that, before this time, action is taken to maximise the growth in business rates by promoting new business premises and economic growth in the district.

5. New Homes Bonus

- 5.1. As part of the provisional finance settlement announced in December 2015 the government has proposed a change to the allocation of New Homes Bonus funding, to enable £800m of the current funding to be used to support adult social care pressures elsewhere in the sector. This will have a significant impact on the borough council, as we currently use 100% of this funding to support our revenue budget directly. The changes are currently out for consultation and will not affect the 2016-17 figures. However, the changes to future years is significant and will cause considerable problems for the council from 2018-19 onwards.

- 5.2. The consultation “New Homes Bonus: Sharpening the incentive” suggests ways in which the changes to funding can be implemented over the coming years by amending the amounts allocated to each authority. The impact is significant to district councils, as currently 80% of the New Homes Bonus is allocated to them, and so any changes hit them harder than upper tier authorities, who will also potentially benefit from the redistribution of funds into social care.
- 5.3. These effects have been factored into the budgeted resources in the Medium Term Financial Plan which is based on the indicative figures in the government’s spending power assessments. This takes account of the proposed change, to fund only 4 years instead of the current 6, effectively reducing the funding by one third. The figures used have been estimated on prudent levels of growth. If the council can grow more than the current trend this will help alleviate this pressure and it is therefore important that the residential growth of the borough continues.
- 5.4. This change, if agreed, will have a significant impact on the financial position of the council and the S151 Officer must therefore consider this as a significant future financial risk when she makes her assessment of the adequacy of reserves.

6. Council tax

- 6.1. The borough council has historically taken the decision not to increase its council tax as its aim was to be one of the lowest council taxes in the country. The council now finds itself in the lowest quartile of all district councils for council tax levels. Whilst low council tax may be a good thing for residents’ own finances, this strategy has resulted in ongoing financial pressures if the council is to keep pace with the cost of service provision in an environment of diminishing resources. The government now assumes that all councils will maximise the locally raised income, of which council tax is a significant part.
- 6.2. This is a significant change in central government’s approach, which has in the past been to encourage a freeze on council tax. Now the approach appears to be encouragement to maximise local income to increase the self sufficiency of each authority, and it has been assumed in the calculation of each council’s core spending power that all councils will raise their council tax. In the borough council’s core spending power assessment it has been assumed that a rise of £5 in total to the average Band D Council Tax payable will be made for each of the next 4 years.
- 6.3. This increase is allowable under the referendum limits issued as part of the financial settlement. The current referendum limit remains at 2%, but those councils in the lowest quartile have been allowed to increase by a maximum of £5 for each year they remain in this quartile. This will be the lowest 51 councils in the country at the time the referendum limit is announced. Wellingborough is likely to remain in the lowest quartile over the medium term, even if it chooses to increase by the maximum allowable under referendum i.e. £5 each year.
- 6.4. The S151 Officer strongly recommends that the council takes this opportunity, as outlined in the recommendations in the main budget report, to increase council tax by the maximum allowable over the medium term.

7. Unavoidable service pressures

- 7.1. It is essential that the council continues to set realistic budgets which senior managers can deliver, and to which they can be held accountable. Over the medium term the authority faces increasing budget pressures in respect of pay and pensions.
- 7.2. No inflationary pressures have been allowed for in the budgets for 2016-17. This has been the strategy for a number of years now and it can be assumed therefore that the service budgets have already included significant efficiency gains in the previous financial years, and will need to continue to do so in 2016-17. There is only so much inflationary pressure and service delivery cost increases that can be absorbed before the “standstill” budgeting approach starts to have a direct impact on the services delivered.
- 7.3. In addition to maintaining current services provided by the council, the expectation from residents for the council to do more, is becoming evident. These expectations are often driven by other organisations withdrawing funding and support, and the borough council being asked to step in to continue the services that have been historically provided. Whilst these services may be valued by the residents, where it is not one of the borough council’s statutory responsibilities or it does not prevent costs in other areas, the council should not become the provider of last resort, as this only adds further pressures to the already significantly challenged revenue budget. The council should be mindful of the need not to raise the expectations of residents that services can be continued using its own limited resources.
- 7.4. Once the council is in a position where it does not have to use its reserves to fund its ongoing service provision it can give thought to ad hoc funding of this nature for the benefit of its residents. In the mean time it must concentrate on finding the solutions to its own financial challenges.
- 7.5. The revenue budget over the medium term needs to be urgently reviewed to ensure that resources are focussed on delivering key priorities for the borough council. Such priorities will need to be identified as soon as possible and fed into the next round of budget setting, as well as the production of the medium term financial strategy to ensure that the borough council is best placed to ensure its own financial stability for the longer term.

8. Savings/reductions

- 8.1. The budget set for 2016-17 again depends heavily on the use of reserves to maintain a balanced position. With the reducing level of reserves available the council needs to find significant savings and reductions for inclusion in its medium term financial strategy.
- 8.2. The council cannot continue to rely on the use of reserves, and this has a significant impact on the Chief Finance Officer’s opinion in the report, and the increasing risk of financial sustainability for the future.
- 8.3. 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.

- 8.4. 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. Members need to work with officers to start this planning early in 2016-17, ensuring there is extensive challenge and a very comprehensive scrutiny process and consultation in place.
- 8.5. The production of an efficiency plan and strategy is key to taking advantage of the options presented to the borough council in the financial settlement, and this should be the basis of any future medium term plans to achieve a balanced position.

9. Capital spending

- 9.1. Heads of service review project bids for the capital programme with full adherence to the capital options appraisal procedures and financial regulations.
- 9.2. 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.
- 9.3. The council has to work within a cash limit governed by the current minimum level of capital reserves; the capital programme must therefore be funded within these limits.
- 9.4. The risk of the council being unable to finance variations to the programme is considered to be low due to the phasing of projects and the current and predicted level of capital resources available. 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.
- 9.5. 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 further strengthened in 2016-17, and monitoring commentary on the projects needs to reflect both project management and delivery schedules. This work has been started by the accountancy team and will continue to develop. When agreeing new schemes, or reprioritising others, consideration should be given for the capacity to deliver, not only the individual schemes, but the programme as a whole. Officer time is becoming increasingly limited and prioritisation to deliver key schemes which provide additional income or cost savings must be made.
- 9.6. The targets for asset disposals have been reviewed as part of the 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.
- 9.7. As part of the financial settlement a new flexibility on the use of capital receipts has been given. Any capital receipts received in year can be used for the funding of transformational projects to help with the council's future sustainability. These projects have to be outlined in an efficiency strategy agreed by full council before the start of the financial year in which the flexibility is intended to be used. The

S151 Officer suggests that this efficiency strategy is developed and presented to full council before 1st April 2016 to give the maximum benefit of this new power.

10. Future planning and financial sustainability issues

- 10.1. Whilst the S25 report formally requires the S151 Officer to make an assessment of the robustness of estimates for the coming year and the adequacy of reserves, in doing so the consideration of financial sustainability for the longer term is an important element. The on-going financial stresses and pressures local authorities are facing must not be ignored, and whilst the next financial year can be managed, the continued use of reserves as a means of achieving a balanced budget is again a growing concern. As such the S151 officer feels that urgent consideration must be given in the coming year to the future financial management and strategic plans for the council to highlight key risks for longer term financial sustainability and to provide solutions to mitigate those risks.
- 10.2. The level of further cuts in central government funding will have a significant impact on the borough council's ability to present a balanced budget in future years if strong strategic plans are not in place to make provision for these. The authority needs to be well placed to deliver its MTFP, in an era of much lower public spending and grants support.
- 10.3. The Borough Council of Wellingborough adds all its income from New Homes Bonus to the general funding of its budget. This increases the reliance on grants, and adds significantly to risks for the future as the effect of changes to these grants will have dramatic consequences for the council, as outlined in section 5 above.
- 10.4. The council needs to be able to demonstrate it has plans in place which address its ongoing budget pressures in a managed and balanced way, providing evidence in the form of an efficiency plan and strategy to enable it to take advantages of the options proposed in the financial settlement for 2016-17 onwards.
- 10.5. Central government is now promoting self sufficiency and raising local income is a key part of their assessment of a council's core spending power. There is no longer a call for council tax to be frozen; in fact there is now a call for it to be increased in every year over the medium term to maximise growth in local income. It assumes that authorities will increase spending power wherever possible. The Borough Council of Wellingborough has already started projects to move towards this approach and has made a decision to use some of its capital receipts to generate income on a significant scale, such as the building of the crematorium. The council now needs to address the need to increase its spending power by taking the option to raise its council tax by the maximum allowed under referendum, in line with central government's assumptions.
- 10.6. In addition to the changes in funding, the capacity to identify and deliver savings given the level of savings already achieved, is getting more limited as almost all of the efficiencies through staff savings have been taken. There may be further efficiencies from operating costs, but these will be limited and new proposals for changes to the way the council delivers its services to its citizens are urgently

needed. Financial stresses inevitably create service pressures but the management of these is getting harder as decisions affect more of the services the public expect to receive from the local council. There is a need for more significant transformation projects, and some are already being planned. However, as outlined above, the risk of delivery is increasing and this in turn adds risk to the delivery of a balanced budget over the coming years.

- 10.7. The rising demands and expectations of citizens for the local council to provide for their needs has to be managed in a period of austerity where there are reducing resources to deliver services. If the council does not start to manage these expectations and reduce the reliance of the public on council supported services the financial demand on its budget will become unsustainable. The council can provide services to the public but it needs to be clear on the level of support it provides in both finance and officer time, both of which are limited. It must also not become the provider of last resort when other organisations reduce or withdraw funding from services.
- 10.8. Like many authorities, the Borough Council of Wellingborough faces a significant funding gap in MTFP which is a key risk and major concern of the S151 officer.
- 10.9. The ability to define and deliver projects to manage the position is critical, and the need to address plans for the future has already been outlined. The budget setting strategy for a number of years has been to remain at a standstill position, with no growth other than for unavoidable pressures. All service areas have been asked to look for further efficiencies and reviews to ensure they are delivering value for money in the coming year.
- 10.10. As more efficiencies and savings are found it will inevitably become harder to manage without impact on service delivery. Sound financial management and planning, based on the corporate outcomes desired, is needed to ensure that statutory services continue and discretionary services are delivered according to local priorities and needs.
- 10.11. The financial plans should show the cost of the organisation's long term goals and ambitions for service delivery. To do this effectively we have to understand the needs of the community, prioritise the limited resources to meet these needs, and be able to react to changes to these as they arise.
- 10.12. A model to deliver regulatory and statutory services within available resources, whilst providing discretionary services to those who need them, has to be developed. This will provide balance to the services delivered and prioritisation of resources needed, and is likely to include some services at cost recovery, some subsidised and some offered at commercial rates via different service delivery options. There is no risk at present that regulatory or statutory services will not be delivered, but a robust plan over the MTFP is needed to ensure this position can be maintained.

- 10.13. If the council intends to be self sufficient and provide for the needs of its citizens it needs to identify itself clearly as “commercial” in its approach to all aspects of service delivery, robustly identifying value for money and reviewing any which do not meet that criteria. It can then make informed decisions on the level of service delivery and support it can supply to the residents of the borough. This may not always be by direct service provision and may also be commissioned either directly or in partnership with other organisation.
- 10.14. There is a lasting change happening to the management of local authorities and a more strategic long term approach is needed to manage the impact of future cuts. The changes may add new layers of complexity and risk, but also offer opportunities to change the fundamental approach to service delivery. The use of innovation and transformation are needed to meet this challenge. Stronger corporate and financial planning is needed to identify the key projects and changes for the future, with a requirement to plan and monitor their delivery in a balanced risk managed way.
- 10.15. Financial risks remain paramount, but change management and transformation is becoming a key risk on the sustainability of local authorities. Strong governance and leadership is needed to identify and manage the plans for the future and create an organisation that is fit for purpose to face the financial challenges that are inevitably on the cards for local authorities. The Borough Council of Wellingborough has to survive the cuts initially and then endeavour to thrive by ensuring there are robust and effective financial plans and processes in place to manage through the ongoing impacts of austerity.
- 10.16. Reserves should only be used to manage the risks of uncertainty and to fund one-off costs of change, and can be used to protect services as a short term measure as they are a finite resource .The Borough Council of Wellingborough has used its reserves to support service delivery over the medium term and now needs to make the change to a more fundamental approach to balancing its budget.
- 10.17. Whilst the S151 Officer has no immediate concerns for 2016-17 as reserves are at sufficient level to provide for any changes to funding or non delivery of key schemes, risks are increasing and the need for strong plans to be developed in 2016-17 is apparent, focused on priorities and needs, ready for implementation in 2017-18. This level of planning and implementation for fundamental change will take time and resources ,and so it is imperative that this become the focus for 2016-17, to ensure that the financial position of the council is adequately managed and balanced, and robust budgets must be agreed for future years.
- 10.18. With the forecast changes to funding levels it is the S151 Officer’s opinion that this is the last year that the current strategy on reserves can be used and that, if firm proposals for future service delivery and efficiencies to balance income and spending are not forthcoming in the next year, she will not be in a position to write her next S25 report with such optimism for the future.

- 10.19. It is difficult for a financial failure to happen, but the possibility is increasing, and the need to reduce spending in line with declining income and spending power is now paramount for local authorities, like the borough council. A high dependency on government grants significantly affects an authority's spending power when cuts are made by government.
- 10.20. With this in mind the borough council needs to increase its future spending power by any means necessary.

11. Adequacy of reserves

- 11.1. 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.
- 11.2. There is no precise methodology for calculating the adequacy of reserves. They are 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.
- 11.3. An appropriate level of reserves is determined by a professional judgement based on local circumstances including: overall budget value; corporately identified risks; robustness of budgets; major initiatives being undertaken; budget assumptions; available earmarked reserves and provisions; and the council's historic record of effective budget management.
- 11.4. 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.
- 11.5. 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.
- 11.6. 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.
- 11.7. 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.

11.8. Issues taken into account include:

- a) Uncertainty about 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.

11.9. The Chief Financial Officer therefore recommends

- That a minimum prudent level of reserves be set at £1.75m for 2016-17. 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.

12. General fund earmarked reserves

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

13. Adequacy of reserves conclusion

- 13.1. In brief, whilst risk does exist, the estimates for the coming year 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 services, especially for the most vulnerable in the community, the level of reserves is currently considered adequate. As financial risks change this position will be reviewed accordingly and the level of reserves will be revised in line with good risk management procedures.