



2015-16 Council Fund Revenue Budget: Position Statement

Cabinet: January 2015



Content

- » National position
- » Revised local position
- » Impact of the 14-15 budget on 15-16
- » Strategy to close the budget 'gap' with the latest position on work in progress
- » Public feedback on the draft budget
- » Member involvement in the budget
- » Final steps in the budget
- » Review of the Medium Term Financial Plan

National Position

- » Final Local Government Settlement published with a marginal reduction in Council funding through the Revenue Support Grant (-£0.065M)
- » Continuing risk of further reductions in specific grants
- » The 'consequential' revenue provision for Wales from the Chancellor's recent budget statement now allocated by Welsh Government with no additional funding for local government for service protection



Revised Local Position

- » Original Council Fund budget gap for 2015-16 at £16.4M based on the Settlement
- » Following the first draft budget report to Cabinet in December a 'gap' of £1.76M remained
- » Following a final assessment of the under-achievement of the in-year workforce efficiency targets and the reduction of funding in the Settlement the extended gap stands at £3.625M

Impacts of 14-15 on 15-16

- » A wide programme of workforce reduction targets was set for the 2014-15 budget
- » Any under-achievement in the in-year targets would have impacts on the 2015-16+ budgets
- » Council in adopting the 2014-15 budget accepted a degree of necessary risk in taking this new approach
- » The programme combined the review of Council Structure and Operating Model (management), wider workforce review and a review of administration support and services

Impacts of 14-15 on 15-16

Programme	Budgeted Target £M	Total Achieved £M	Difference £M
Workforce Programmes	2.95	2.50	0.45
Administration Review	1.60	0.80	0.80
Running Total	4.55	3.30	1.25
Base Budget 15-16 Increase	0.55	-	0.55
Total Impact	5.10	3.30	1.80

Further workforce efficiencies of £0.5m have been achieved through Value for Money projects in 14/15

Strategy to Close the Extended Gap

- » Corporate financing options (specifically inflation provision, reserves and balances and central loans and investments)
- » Workforce efficiency projects
- » Income opportunities
- » Reserve further service change options



Up to Date Strategy Position

Option	£M
Procurement Supplier Charging	0.116
Non Standard Inflation Provision Review	0.348
Reduction in Fire and Rescue Authority Levy Provision	0.124
Council Tax Reduction Scheme Projected Provision	0.130
Central Loans and Investments Reviews	1.830
Workforce Efficiency Projects	0.300
Running Total	2.848
Remaining Gap	0.777

Remaining Strategy Actions

- » Review the rigour of method of calculation, the reliability of the figures and the risks
- » Complete review of any further options
- » Revisit income options including Council Tax
- » Assess options for use of 'bridging' reserves and carry forward of efficiency target risk into the new financial year

Big Budget Conversation

- » Big Budget Conversation run in August and September
- » Outcomes from the first stage feedback:
 - » Increased public awareness and concern
 - » Social services for the young and vulnerable particularly valued
 - » Support for charging if it protects services
 - » General support for alternative delivery models, merging services with other councils, and considering increasing Council Tax above 3%



Big Budget Conversation

- » Draft Budget Proposals published mid December
- » Website and Your Council Electronic Newsletter Circulation (9200 newsletter circulation)
- » Public information with the option for feedback (3000 budget website pages 'hits' with 90+ feedback forms received)
- » Equal Impact Assessment work ongoing with consultation with local representative organisations
- » Public feedback to be provided to Overview and Scrutiny Committees to inform budget scrutiny
- » Specific engagement with town and community councils and other local organisations on community assets ongoing



Member Involvement

- » Budget planning workshops (end October/early November)
- » Group Leaders and Overview and Scrutiny Chair Briefings
- » Drop-in sessions 19 December and 16 January and individual enquiries and follow-ups
- » Staged Cabinet and Corporate Resources Overview and Scrutiny Committee updates

Overview and Scrutiny

- » Latest corporate position to be shared and explained
- » Each Committee to review budget proposals by portfolio
- » All proposals available with a concentration on those where there has been the greatest member and public interest and comment
- » Fuller information sheets on proposals available
- » Public feedback to be made available to inform members in their representative democracy role
- » Corporate Resources to review the corporate financing options for the strategy for closing the budget 'gap'

Final Steps in the Budget

- » Complete work on gap closure options
- » Overview and Scrutiny special budget meetings through January
- » Cabinet finalises the budget – 17th February
- » Full Council sets budget – 17th February
- » Full Council sets Council Tax – 3rd March

Medium Term Financial Plan Review

- » Full review led by Cabinet with Corporate Resources Overview and Scrutiny input from February – May with a republished MTFP for 2015/16 to 2017/18
- » MTFP to combine full forecast of predictive income and expenditure with a more advanced organisational change and efficiencies plan
- » Organisational change and efficiencies plan to combine corporate financing options with an efficiencies programme which builds on the new chief officer portfolio business plans