

Report of:	Head of Finance
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Key Decision:	No
Report Track:	Cabinet: 01/02/16 Council: 16/02/16

CABINET
1 FEBRUARY 2016
GENERAL FUND BUDGET AND CAPITAL PROGRAMME 2016-17 TO 2018-19

1 Purpose of Report

- 1.1 To consider the current position of the General Fund Revenue Budget for 2016-17 to 2018-19 and the updated capital programme 2016-17 to 2018-19.

2 Recommendations

- 2.1 That the following be recommended to Council as part of the formal budget setting process:-
- (a) the level of net spending for the General Fund Revenue Budget for 2016-17 be set at £12.383 million; with indicative net spending for 2017-18 and 2018-19 of £11.996million and £12.771 million respectively;
 - (b) the detailed portfolio budgets as set out in **Appendix 2**
 - (c) the forecast outturn net budget of £12.717 million including a Revenue Contribution to Capital Outlay of £ 0.252 million be approved
 - (d) the use of Government Grants in 2016-17 of £1.443 million with indicative figures of £1.457 million and £1.148 million for 2017-18 and 2018-19 respectively;
 - (e) the working balances be set at £0.681 million; £1.032 million and £1.010 million for 2016-17 to 2018-19 respectively;
 - (f) that a Council Tax of £204.87 be recommended to the Council for 2016-17; with indicative increases of 1.95% to the level of Council Tax for 2017-18 and 2018-19;
 - (g) the Council's Tax base be set at 27,148.87.
 - (h) the revised capital programme, including new schemes, as set out in **APPENDICES 3 and 4.**

3 Key Issues and Reasons for Recommendation

- 3.1 The report sets out a draft standstill budget for 2016-17 as well as indicative budgets for 2017-18 and 2018-19 and associated issues and also includes current indications of the impact that this will have on Council Tax. It also sets out the updated capital programme, and it sets out the capital resources available to the authority to finance the capital programme.

4 Relationship to Corporate Priorities

- 4.1 The revenue budget and capital programme reflect the Council's priorities.

5 Report Detail

- 5.1 As a precursor to the consideration of the overall General Fund Revenue Budget, Cabinet approved the General Fund Financial Plan for the period 2015-16 to 2018-19 on 10 December 2015.

- 5.2 The General Fund Revenue Budget for the period 2016-17 to 2018-19 has now been compiled following the principles agreed in the Financial Plan.

- 5.3 The detailed Portfolio Budgets together with Variation Statements as compared with the Budget Approved by Council last year are attached as **Appendix 2** to the report. The following paragraphs highlight the background to the compilation of the Revenue Budget.

5.4 Budget issues**Inflation**

- 5.4.1 No material changes have been made to the assumptions for inflation for Portfolio Budgets as contained in the indicative budgets of the 2015-16 Budget report as updated by the 2015-16 to 2018-19 Financial Plan. Savings have however occurred in relation to the Management Fee for Leisure Services with the January 2015 CPI rate being lower than anticipated

Spending pressures

- 5.4.2 The detailed budgets have been refreshed to reflect the outturn for 2014-15 and latest spending patterns. Provision of £25,000 has been made in relation to membership of the Combined Authority as approved by Council on the 12 October 2015. Provision has also been made for the maintenance costs of Closed Churchyards.

- 5.4.3 In determining the 2018-19 budget additional provision has been made for Employer Contributions to increase by a further 2% as a result of the next triennial Actuarial Valuation of the Pension Fund; the Management Fee profile

for the Leisure Management Contract; District Elections and additional costs of demographic growth.

- 5.4.4 The next Actuarial Valuation of the Pension Fund is at 31 March 2016 and although new rates apply from 1 April 2017 contribution rates are not normally determined until very late into the 2017-18 budget cycle. In order to ensure contribution rates are available much earlier the Staffordshire Authorities have commissioned the Actuary to do modelling in advance of the normal timetable enabling rates to be determined by the end of April 2016.

Main streams of income

- 5.4.5 The economic climate continues to affect the Council's main income streams. Off Street Parking; Waste & Recycling; Cemeteries and Development Control are down on target for the first two thirds of the year with only Building control showing a positive variation.
- 5.4.6 Income from Car Parks is forecast to be down by £35,000; Recycling Credits by £23,000 and Cemeteries by £11,000 for 2015-16. Planning fees is currently £54,000 down on target.
- 5.4.7 In relation to future years, provision has been made for the ongoing effect of such changes in income. The down turn in income for Planning Fees has been partly offset by interim compensating savings pending a review of the service. Local Land Charges income also shows a reduction reflecting the revised regulations in relation to the determination of Local Land Charges combined with its anticipated transfer to the Land Registry. Rental income and changes to associated running costs, are expected to create cost pressures in 2016-17 for the Market Hall / Shops and Anson Street reflecting reduced occupation. Whereas provision has been made for the conversion of the Civic Centre rear Car Park into a Pay and Display facility

Cost / Efficiency Savings

- 5.4.8 In the light of the financial difficulties facing the Council, the following savings and sources of additional income have been identified which have no impact on service provision to the public:

Table 1 :Efficiency Savings reflected in the Draft Budget			
Savings/Additional Income	2016/17 £000	2017/18 £000	2018/19 £000
Senior Management Restructure	(136)	(135)	(135)
Waste Collection & Organic waste	(305)	(471)	(308)
Base Budget Review - Utilities	(70)	(70)	(70)
Member Allowances	(26)	(26)	(26)
Total	(537)	(702)	(539)

- 5.4.9 A review of the Senior Management Structure of the Council was undertaken by the Managing Director following his appointment in February 2015 and was approved by Council at its meeting of 25 February 2015. The revised structure

provided annual savings of £135,000 per annum to the General Fund with further savings attributable to the HRA.

- 5.4.10 Savings in relation to Waste Collection reflect the new contracts approved by Cabinet in November 2015. The 2016-17 budget includes the additional mobilisation costs for the contract with the 2018-19 saving reflecting the uncertainty that exists in relation to Green Waste Recycling Credits with the County Councils Medium Term Financial plan making provision for a material cost saving from 2018/19. No provision exists at this stage for any further savings arising from a post implementation review of the management of the contract and the release of depot space etc. with the base budget reflecting the maintenance of existing arrangements.
- 5.4.11 A detailed review of the Base Budget has been undertaken with savings being identified in relation to utility costs for electricity, gas and fuel costs. Savings have also been identified for Member Allowances, reflecting the decision of Council to freeze the 2015-16 allowances; the changes to Policy Development and Scrutiny Committee Structures and the 2015-16 review of Member Allowances.
- 5.4.12 Provision also exists within the revenue budget for 2016-17 for Environmental Improvements re de-Minimis assets that can not be capitalised in accordance with the Councils Capital Accounting requirements. The Cost has however been offset by an equivalent reduction in Revenue Contribution to Capital Outlay.
- 5.4.13 In addition to the above further savings will be made to compensate for the reduction in Housing Benefit Admin Grant arising from the introduction of the Single Fraud Investigatory Service and the implementation of Universal Credits. The Draft Budget reflects both the anticipated reduction in Grant and the efficiency savings required

5.5 Monitoring of the 2015-16 Revenue Budget

- 5.5.1 The Budget for 2015-16 is monitored each month against the profiled budget. The position based on the November figures, updated for known changes in the forecast outturn is set out in the following table:

Table 2 : Budget Monitoring re 2015-16 as at 30 November 2015					
	Approved Budget	Profiled Budget	Actual to date	Variance	Forecast Outturn
	£000	£000	£000	£000	£000
Portfolio Budgets	11,946	8,161	7,953	(208)	11,709
Investment income	(130)	(87)	(74)	13	(130)
Technical Adjs.	640	-	-	-	640
RCCO	246	-	-	-	498
Net Spending	12,702	8,074	7,879	(195)	12,717

- 5.5.2 The monitoring statement includes a projection to the financial year end of the forecast outturn position. It is currently expected that there will be an overall net saving of £237,000 on Portfolio Budgets compared with the original budget by

the end of the financial year. However in setting the Budget for 2015-16 £1.5 million of working balances was identified to support the budget from 2015-16 onwards with transfer of this amount to a RCCO. As a result of the Business Rates Appeal consolidation in 2014-15 only £1.25 million was transferred with the remaining £0.25 million now to be actioned in 2015-16.

5.6 Reserves and Balances

5.6.1 Reserves and Balances comprise General Reserves, the Working Balance and earmarked reserves. The general strategy for using unallocated reserves is that they are used to meet shortfalls in the net budget during the year. This is particularly important in the current economic circumstances when sources of income are particularly volatile.

5.6.2 The Council's General Fund working balance currently stands at £1.249 million and was expected to increase by £0.149 million during 2015-16. The latest forecast indicates additional savings of £0.074million with a Working Balance of £1.472 million forecast as at 31 March 2016. The prudent level of Working Balance for 2016-17 is recommended to be £0.681 million as set out in **APPENDIX 1**, but rising to just over £1.000 Million in 2018-19 due to the uncertainties that exist in relation to Business Rates and New Homes Bonus. A surplus of £0.462 million is available to support the budget from 2016-17 onwards.

5.6.5 The Council holds a number of earmarked reserves for specific purposes. In light of the challenges facing the Council from 2017-18 a comprehensive review of all reserves is to be undertaken with any, which are identified to be no longer required, to be incorporated within the Budget Support working balance.

5.6.6 In accordance with the review undertaken as part of last years budget it is intended to release the Actuarial Valuation Reserve in 2017-18 to offset the anticipated additional Employers Contributions arising from the next valuation (pending the determination of the actual rate following the completion of the additional modelling work as highlighted in paragraph 5.4.3)

5.6.7 A summary of earmarked reserves incorporating their planned use over the next four years is detailed overleaf with a more detailed analysis of Other General reserves attached at **APPENDIX 6**.

Table 3 :General Fund Earmarked Reserves				
	31/03/2016	31/03/2017	31/03/2018	31/03/2019
	£'000	£'000	£'000	£'000
Ring Fenced Grants	108	108	108	108
Section 106	906	905	905	905
Commuted Sums	198	185	171	157
Bond	160	182	203	225
Shared Services	262	262	262	262
Partner	179	145	111	77
RCCO	1,500	1,500		
General – Other	2,108	1,987	1,782	1,732
Total	5,421	5,274	3,542	3,466

5.6.8 **APPENDIX 7** sets out the required report on the robustness of the budget estimates and the adequacy of the Council’s reserves.

5.7 Local Government Finance Settlement 2016-17

5.7.1 The provisional Local Government Finance Settlement for 2016-17 was received by the Council on 17 December 2015. The settlement also included indicative figures for the period to /including 2019-20. The settlement provides the Council with a combination of its provisional Revenue Support Grant allocation and its baseline figures within the Business Rates Retention (BRR) scheme.

5.7.2 The provisional settlement represents the third year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. However it should be stated that the scheme will be subject to fundamental review during 2016 with the proposal that local government retains all of its funding from Business Rates in the future.

5.7.3 The methodology for determining the settlement has changed from previous settlements .In particular District Councils have been identified as a unique funding element within the settlement with a standard % reduction being applied to each district based upon its combined Spending Assessment (Business Rates Baseline and Revenue Support Grant) and Council Tax Requirement. Previously reductions have been applied to the Spending Assessment only with a maximum reduction determined based upon its Spending Power inclusive of Council Tax Requirement. The Assessment has been made on 2015-16 Council Tax levels throughout the period to 2019-/20 (Table 4), however in assessing the “Core Spending Power “ it has been assumed that the Council Tax charged will increase by 2%/CPI per annum (see Table 5) in addition to any growth in Council Tax Base (properties)(this is contrary to previous assessments whereby Council Tax was assumed to be frozen).

5.7.4 The provisional figures show a reduction of funding as determined by the Government Spending Assessment of £1.989 million (or 40%) during the period 2015-16 to 2019-20 as follows :-

Table 4 : Calculation of Indicative settlements to 2019-20						
Financial Year	Spending Assess. (SFA)	Council Tax Req.	Combined Total	% Reduction	% Reduction (SFA)	Cash Reduction (SFA)
2015-16	4.954	5.406	10.360			
2016-17	4.193	5.406	9.599	7.35%	15.4%	0.761
2017-18	3.618	5.406	9.024	5.99%	13.7%	0.575
2018-19	3.309	5.406	8.715	3.42%	8.5%	0.309
2019-20	2.965	5.406	8.371	3.95%	10.4%	0.344

5.7.5 Whereas a comparison with an extract from the Core Spending Power calculation (excluding New Homes Bonus) is as follows :

Table 5 : Changes to Core spending to 2019-20						
Financial Year	Spending Assess. (SFA)	Council Tax Req.	Combined Total	% Reduction	% Reduction (SFA)	Cash Reduction (SFA)
2015-16	4.954	5.406	10.360			
2016-17	4.193	5.549	9.742	6.2%	15.4%	0.761
2017-18	3.618	5.723	9.341	4.0%	13.7%	0.575
2018-19	3.309	5.909	9.218	1.3%	8.5%	0.309
2019-20	2.965	6.108	9.073	1.6%	10.4%	0.344

5.7.6 The Government have provided the facility to accept the above figures as a 4 year Fixed Sum Settlement however this requires the Council to request the fixing of the amount from government and approve an Efficiency Statement (details of which are yet to be provided). The government has not indicated what the formal process for this request is; who from an authority should request the future years' settlement; what the timetable for the request is; what approval process is required in a council; whether a request can be rescinded if there is political change at a local authority

5.7.7 Table 6 compares the provisional settlement to the 2015-16 allocation and the Financial Plan as considered by Cabinet at its meeting on the 10 December 2015. The settlement being some £0.173 lower than estimated.

Table 6 : Provisional Spending Assessments as compared to 2015-16 actual				
Settlement	2015-16 Actual £m	Financial Plan £m	2016-17 Indicative £m	Variance to Plan £m
Business Rates	2.765	2.786	2.787	0.001
Revenue Support Grant	2.128	1.519	1.406	(0.113)
C. Tax Freeze Grant	0.061	0.061		(0.061)
Total	4.954	4.366	4.193	(0.173)
Reduction			(0.761)	

5.7.8 The anticipated reductions in Government Support, excluding the increases/decreases arising from the incentive elements of the Local Government Financing Regime, i.e. New Homes Bonus and Business Rates Retention, are as follows:-

Table 7 : Local Government Financial Settlements 2013-2017					
	2015-16	2016-17	2017-18	2018-19	2019-20
	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	2.128	1.406	0.776	0.384	0.000
Business Rates Baseline	2.765	2.787	2.842	2.926	3.019
Council Tax Freeze Grant	0.061				
Govern. Funding	4.954	4.193	3.618	3.310	3.019
Tariff adj					(0.054)
Settlement Funding Assessment					2.965

5.7.9 It can be seen from above that Revenue Support Grant will not exist in 2019-20. However the Government have retained the facility to reduce Government support by amending the Tariff or deduction made from Business Rates in determining the amount of Business Rates Retained by a local authority. Based upon the % reduction applied to the combined Spending Assessment and Council Tax requirement applied to each district a further £0.054 million increase in the Tariff / or reduction in funding has been made in 2019-20 with a total reduction of £2.182 million occurring between 2015-16 and 2019-20 (being Revenue Support grant £2.128 million and Tariff adjustment £0.054 million).

5.7.10 The Government have stated that Tariffs will still form part of the new Business Rates Regime.

5.8 Business Rates Retention Scheme

5.8.1 The Business Rates Retention Scheme forms part of the new funding regime for Local Government and incentivises Councils to promote economic growth in their area as they are entitled to retain a share of business rates growth.

5.8.2 In determining the amount of overall Government funding allocated to the Council a baseline figure for 2016-17 of £2.787 million has been set which is used in determining the amount of Business Rates to be retained by the Council. The Baseline is updated each year to reflect inflation.

5.8.3 The Chancellor of the Exchequer announced a number of changes in relation to Business Rates in his Autumn Statement that related to 2016-17. These included

- The temporary increase in Small Business Rates Relief is to be extended for another 12 months.
- The discontinuation of the business rates discount of £1,500 for retail and food and drink premises with a rateable value below £50,000.

5.8.4 The impact of the changes is financially neutral for 2016-17 with the compensating grants (section31) being provided/deleted by the Government.

The continuation of Small Business Rates Relief formed part of the assumptions as contained in the Financial Plan.

5.8.5 The draft budget for 2016-17 onwards assumes that the Council will receive additional funding of £1.003 million from the Business Rates Retention Scheme in respect of “growth” compared with the Government’s baseline.

5.8.6 The resources forecast for the current and future years also includes the retention of additional business rates in accordance with the Business Rates Pooling agreement. Agreement has been reached with the Greater Birmingham and Solihull (GB&S) Business Rates Pool on a distribution mechanism of the levy paid by each authority to the pool whereby the generating authority will retain 32.5% of the levy that it pays into the pool. The agreement is for an initial three year period ending 2016-17, however the Draft Budget assumes that a retained pool levy will also apply in future years. **Appendix 5** provides an analysis of the Retained Business Rates Income for the Council.

5.8.7 The Chancellor of the Exchequer announced a series of major reforms to Local Government finance on 5 October 2015. These included:

- That by the end of the Parliament, local government will be able to retain 100% of local taxes – including all £26 billion of revenue from business rates.
- The government will abolish the Uniform Business Rate and give local authorities the power to cut business rates to boost economic activity in their areas.
- Local areas which successfully promote growth and attract businesses will keep all of the benefit from increased business rate revenues.
- The core grant from Whitehall will be phased out, and local government will take on new responsibilities.

5.8.8 The retention of 100% business rates was reaffirmed as part of the Chancellors Autumn Statement and further indicative measures outlined including

- The system of top-ups and tariffs which redistributes revenues between local authorities will be retained.
- The Uniform Business Rate will be abolished and any local area will be able to cut business rates as much as they like.
- The 100% retention of business rates will come with additional responsibilities and empower local authorities to deliver services in a way that is right for their area. For example, the government will consider transferring responsibility for funding the administration of Housing Benefit for pensioners, TfL’s capital projects to local government and will also consult on options to transfer responsibility for funding public health.
- plans to consult on changes to the local government finance system including to rebalance support to those authorities with social care responsibilities”

5.8.9 No further details have been announced in relation to the scheme however the Provisional Local Government Finance Settlement statement went on to say that

“These changes will need legislation, and the Government will be seeking the earliest possible legislative opportunity. In the meantime, the Government will be developing the parameters of the scheme and the operational delivery details. We will set up systems to involve councils, businesses and others in the process early in 2016. We intend to consult on the implementation of the 100% business rates retention scheme in summer 2016, following a period of extensive engagement with councils and their representatives in the preceding months. “

5.8.10 The changes to Local Government Finance as indicated in the Provisional Settlement and the Autumn Statement will place £4.1million of its 2018-19 and ongoing funding in the form of Business Rates subject to change.

5.8.11 Particular attention is drawn to the Council's dependency on Business Rates whereby 30% of Business Rates income is generated by 10 businesses (representing 0.3% of businesses within the district). Although volatility in Business Rates is highlighted each year, as a risk, the recent confirmation that the Government intend to close coal fired power stations by 2025 ,and restrict their use by 2023, places greater emphasis on mitigating this risk with Rugeley Power Station representing alone 9% of Business Rates income. It is therefore essential that in the deliberations on the Reform of Local Government Funding and retention of 100% business rates, the provision of a more stable and sustainable situation for authorities that depend on one major industry within its area should be fully taken into account, and the Council needs to ensure that this is re-emphasized in its consultation response

5.8.12 In assessing the financial position of the Council and its dependency on Business Rates it is hoped that the development of Mill Green Designer Outlet Village will provide a material increase in retained business rates when it opens in 2018.

5.8.13 It is not possible at this stage to identify the additional business rates that will arise from the development primarily due to the

- The uncertainty re Rugeley Power Station
- Reform of the overall Business Rates regime
- Reform of Local Government Finance including the retention of 100% Business Rates
- The 2017 Business Rates Revaluation

5.8.14 The Government intend to report back on its review of Business Rates by the Budget of 2016 whereas the Business Rates Revaluation will apply from April 2017.No details in relation to the 2017 revaluation are clearly available at this stage with the draft rating list expected to be published in September 2015. The last revaluation was undertaken in 2010 and it is therefore anticipated that there will be major variations between business sectors and regions arising from the revaluation, with the midlands likely to see a reduction in business rates valuations

- 5.8.15 Nevertheless the Mill Green Development clearly meets a key parameter of the outlined new scheme notably that *“Local areas which successfully promote growth and attract businesses will keep all of the benefit from increased business rate revenues”*. It is therefore envisaged that the impact on Business Rates for this Council will become clearer over the next 12 months following publication of the draft scheme and the 2017 draft rating list.
- 5.8.16 In relation to the budget for 2016-17 the major uncertainty relates to outstanding appeals. A large number of appeals are also still outstanding and although provision was made in the 2014-15 accounts the exact impact can not be determined until the appeals are settled. The level of income is also affected by many other factors, including the number of empty business properties and the levels of mandatory and discretionary rate relief granted and forecasts are therefore subject to regular review. Variations do occur between years reflecting changes to the assumptions in relation to changes in Rateable Values over the period and although overall income is in line with the 2015-16 to 2016-17 initial estimates a more pessimistic outlook exists in relation to 2017-18 onwards.
- 5.8.17 The business rates scheme brings more uncertainty into setting the Council's future budgets and this has been reflected in the determination of the Council's General Fund Working Balance as per Appendix 1.

5.9 New Homes Bonus.

- 5.9.1 Provisional allocations for the New Homes Bonus Grant scheme for 2016-17 were announced by the Department for Communities and Local Government on the 17 December 2015.
- 5.9.2 The provisional allocations now received are in line with the estimate as contained in the Financial Plan for 2016-17 however a great deal of uncertainty exists in relation to 2017-18 and 2018-19 allocations.
- 5.9.3 The New Homes Bonus grant is a six year rolling programme that commenced in 2011-12. The cumulative level of grant for 2016-17 amounts to £1.403 million and was originally anticipated to increase by £0.157million in 2017-18, before plateauing.
- 5.9.4 The Government's Spending Review announced that the Government would consult on reforms to the New Homes Bonus scheme, including ways to sharpen the incentive to reward communities for additional homes and release resources to help address pressures in adult social care services, with a preferred option for savings of at least £800 million to be returned to local government to support adult social care.
- 5.9.5 The Local Government Financial Settlement included a consultation document in relation to New Homes Bonus with the following proposals outlined:

Changing the number of years for which payments are made

- The Government is consulting on whether from 2017-18, the number of years for which legacy payments under the Bonus are to be paid will be reduced from 6 years to 4 years. This is the Government's preferred option. There are several ways in which a reduction in the number of years over which payments would be

made could be introduced including a phased basis with 5 payments in 2017-18. But it is considering whether to move further and reduce payments to 3 or 2 years.

Reforms to improve the incentive

Withholding the Bonus where no Local Plan has been produced

- The **Government's preferred option** is that from 2017-18 onwards, local authorities who have not submitted a Local Plan prepared under the 2004 Act should not receive New Homes Bonus allocations for the years for which that remains the case.

Reducing payments for homes allowed on appeal

- The Government is, proposing to reduce new in-year allocations payments to individual authorities where residential development is allowed on appeal. The Government proposes that there would be a reduction in the New Homes Bonus payment per home allowed on appeal, rather than it being withheld in full. This is for two reasons:
 - Not all refusals of permission – and subsequent appeals – result from authorities opposing the principle of development (some, for example, arise from unresolved disagreements over technical issues such as the adequacy of highways access).
 - The New Homes Bonus is intended to provide a benefit to the community as a whole, and there is a limit to the extent to which local people should be penalised as a result of poor decisions made by their local planning authority

Removing deadweight

- The Government is proposing that there is a baseline set before New Homes Grant is payable. Bonus is currently paid on all new housing regardless of whether or not it would have been built without an incentive. Removing this deadweight from the calculation of the Bonus would allow payments to be more focused on local authorities demonstrating a stronger than average commitment to growth. **One option proposed** for removing deadweight from payments would be to set a single baseline for all areas and only make payments under new allocations relating to housing above that baseline. A possible level of the baseline is 0.25%.

5.9.6 The proposals to move from six to four years and removing deadweight will have material reductions in the amount of grant received and will effectively reduce future projections by a third (six years to four Years) whereas the 0.25% baseline would eliminate the first 86 properties per annum equivalent to £103,000 reduction .

5.9.7 The consultation ends in March with the Government proposing to publish a formal response document within three months of the closing date of the consultation. The new scheme is likely to be implemented in full with effect from 2018-19 with some form of transition in 2017-18. It is difficult to determine the impact on future year's budgets as such and at this stage the reduction from 6 to 4 years has been reflected in the 2018-19 budget. The estimate for 2017-18 reflects the Governments indicative figure , and although not in line with our own projections, does reflect that some form of safety net or protection will exist as

indicated in the consultation “for those who may face an adverse impact from these proposals”

6 General Fund Revenue Draft Budget 2016-17 to 2018-19

6.1 The table below sets out the Council’s current draft General Fund Revenue Budget position for 2016-17 and indicative budgets for 2017-18 and 2018-19.

Table 8 :General Fund Draft Budget 2016-17 to 2018-19			
	Budget 2016-17	Budget 2017-18	Budget 2018-19
	£000	£000	£000
Net Expenditure			
Portfolio budgets	12,060	11,808	12,461
Investment interest	(130)	(90)	(90)
Technical items	453	418	400
Actuarial Reserve		(140)	
Net Spending	12,383	11,996	12,771
Less: Government Grants			
NNDR Multiplier	(40)	(40)	(41)
Council Tax Freeze Grant			
New Burdens Funding			
New Homes Bonus	(1,403)	(1,417)	(1,107)
Budget Requirement	10,940	10,539	11,623
Financing			
Collection Fund surplus	(23)		
Business Rates	(4,115)	(4,026)	(4,116)
Revenue Support Grant	(1,406)	(776)	(384)
Council Tax Income	(5,563)	(5,726)	(5,901)
Total Financing	(11,107)	(10,528)	(10,401)
Transfer to Working Balances	167		
Transfer from Working Balances		(11)	(1,222)

6.2 The material changes occurring since the Financial Plan can be summarised as follows:-

Table 9: Revenue Budget Surplus/Deficit Reconciliation			
	2016-17 £'000	2017-18 £'000	2018-19 £'000
Financial Plan Original Deficit/ (Surplus)	(352)	(270)	490
Provisional Settlement	173	310	273
New Homes Bonus allocation	(2)	141	420
Application of Reserves		(140)	
Base Budget Changes	14	(30)	39
Revised Surplus	(167)	11	1,222

- 6.3 The budget for 2016-17 shows Total Financing exceeds the Budget Requirement by £0.167million and represents a Contribution to Working Balances in that year. A small deficit is now forecast for 2017-18 however a saving requirement of £1.2 million does exist for 2018-19.
- 6.4 A great deal of uncertainty exists in relation to 2017-18 in relation to New Homes Bonus and this is further enhanced for 2018-19 with the impact of the Business Rates Reform / Review to be taken into account, in addition to the potential positive impact from the Mill Green Development . Projections for future years therefore need to be treated with a great deal of caution and the implementation of fundamental policy decisions deferred until a clearer financial plan becomes available during 2016-17.
- 6.5 It should be noted that the position outlined above for 2016-17 is draft, reflecting a provisional settlement , and could marginally change between now and the Council Tax being set by Council in late February. Costs relating to capital charges and the allocation of departmental and support services recharges have been disregarded as they do not affect the level of expenditure to be met from Council Tax.
- 6.6 In accordance with the recommendations contained in the report the level of Working Balances as at 31 March each year is as follows:

Table 10 : Level of Working Balances				
	31/03/16	31/03/17	31/03/18	31/03/19
	£000	£000	£000	£000
Balance B/fwd.	1.249	1.472	1.639	1.628
Applied in Year	0.223	0.167	(0.011)	(1.222)
Balance C/fwd.	1.472	1.639	1.628	0.406
Minimum	(0.698)	(0.681)	(1.032)	(1.010)
Surplus to Support Budget	0.774	0.958	0.596	(0.604)

- 6.7 It will be noted that based upon a number of caveats and that 2018-19 forecast represents the worst case scenario a potential overall shortfall will exist in Working Balances if the deficit is to be funded from balances. The Councils Budget Strategy is that further savings are identified as part of the 2017-18 Medium Term Budget Strategy to meet any shortfall nevertheless a review of earmarked reserves will be undertaken in advance of next years process to increase the level of working balances to offset the potential shortfall.

7. Council Tax Base and Collection Fund

- 7.1 The final part of the consideration of the Budget is the Council Tax base. This is the number of properties in the district expressed in terms of Band D equivalents. The amount of money that the Council can raise per £1 charge for a Band D equivalent property can be established from the tax base.

7.2 The Council's gross tax base for budget purposes will see an increase of 0.9% in 2016-17 reflecting new properties being built in the district, and a reduction in the cost of the Local Council Tax Reduction Scheme.

7.3 The Council's Tax Base is now calculated on the following basis:

Council Tax base for budget setting purposes	30,984.79
Less: impact of Local Council Tax Reduction Scheme	<u>(3,835.92)</u>
	27,148.87

7.4 Details of the tax base, broken down over parishes are set out in **APPENDIX 8**. In order to ensure parish council's are not disadvantaged by the local scheme, some of the Council's grant funding is credited to Parish Councils to ensure that they are no worse off.

7.5 The Council's Collection Fund has been reviewed as part of the budget process and is expected to break even in 2016-17 with the 2014-15 surplus being applied in 2016-17

8. Council Tax 2016-17

8.1 In determining the level of Council Tax for 2016-17 Cabinet will need to take into account the medium term financial position; the Council Tax Referendum Thresholds and the level of Council Tax Freeze compensation available from the Government.

8.2 The Localism Act 2011 contains provisions to veto excessive Council Tax increases by means of a referendum. The Council Tax Referendum threshold principles for 2016-17 remain the same for District Councils as in 2015-16 with an increase of 2% or more requiring a referendum (Social Care authorities can increase Council Tax by an additional 2%).

8.3 Authorities planning to set excessive council tax increases would be required to draw up shadow budgets with both budgets being approved as part of the budget process and a referendum held in May. If the rise in Council Tax is rejected the shadow budget would be adopted immediately and refunds made to residents in accordance with a predetermined timetable.

8.4 The Financial Plan as considered by Cabinet in November was based upon the 1.95% increase as assumed as part of the 2016-17 budget. A 1% increase amounts to £54,000 per annum.

8.5 There are no indications that a Council Tax Freeze Grant will be available for 2016-17 with to the contrary the Provisional Local Government Settlement being based upon a 2% Council Tax increase taking place in 2016-17 and in line with CPI in future years.

8.6 In light of the above considerations Cabinet are proposing that the Band D Council Tax for 2016-17 will increase to £204.87 as proposed last year.

8.7 The final level of Council Tax levied will be determined by Council on 3 March 2016. The figures set out in this report may require minor amendment if any further information emerges before then.

8.8 The total Council Tax for the District will reflect the spending decision made by the County Council, the Office of the Police and Crime Commissioner and the Fire Authority. In addition, in certain areas, parish council precepts are also added to the overall bill.

9. Medium Term Outlook

9.1 There is currently great uncertainty over how a Government will fund Councils into the future via Business Rates and New Homes Bonus with both schemes to be subject to consultation. In light of the uncertainty as reflected in various sections of this report it is difficult to identify the true saving requirement for 2018-19 and beyond.

9.2 The forecast current budgets for 2016-17 and 2017-18 together with the Working Balances to support the budget enable the Council to adjust to its new funding resource level over the next three years. Nevertheless the Councils approved Budget Strategy as detailed in the Financial Plan included a number of saving strands and all will be considered and applied as necessary to reduce the gap over the period up to and including 2018-19.

10 Capital Programme 2016-17 to 2018-19

10.1 On 11 February 2015, Council approved a capital programme to 2017-18. This programme has been updated to include approved changes, re-profiled to reflect current spend estimates reflecting slippage in schemes and more up to date information on costs. The updated programme is attached at **APPENDIX 3** with anticipated expenditure and resources as reflected by the Capital Budget included at **APPENDIX 4**.

10.2 Uncertainty still exists as to both the resource position and demand for disabled facilities grants from 2016-17. It is not known with any certainty when the announcement on Better Care Funding will be made and whether the existing passporting of funding back from Staffordshire County Council will continue and at what level. In order to assist programming the County Council have indicated that districts assume no change from the current level until the position becomes clearer.

10.3 The 2015-16 budget also includes the capitalisation of the E payments upgrade in accordance with the de-minimis requirements of capital accounting. In addition provision for two new schemes has been included in the draft programme as follows:

- Engineering Training Facility – provisional allocation of £500,000 on a match funded basis with additional support to be provided by Greater Birmingham and Solihull/ Staffordshire & Stoke on Trent LEPS and other partners

- Playground – Refurbishment – allocation of up to £40,000 to reinstate equipment at the Stadium and Heath Hayes

10.4 A comprehensive review of CCTV provision within the District is to be undertaken at a cost of £10,000 (to be financed from existing resources). The review will determine future requirements and the potential to replace the hard wired service with the installation of wireless facilities on an invest to save basis. The outcome will be subject to a further report to Cabinet detailing the Capital Programme implications.

10.5 The capital resources position, based on the approved capital programme, for the period 2015-16 to 2018-19 is summarised below:

Table 11: Uncommitted Capital Resources		
	General Fund	Section 106
	£000	£000
Capital resources brought forward at 1 April 2015	2,523	2,092
Capital Receipts	1,330	134
Capital Grants	3,595	
Joint Investment Fund	2,907	
Revenue contribution to Capital Outlay	1,946	
Use of Reserves	185	
Local Growth Fund	1,300	
Other Contributions	1,005	
Draft Capital Programme 2015-16 to 2018-19	(13,677)	(1,328)
Remaining resources at 31 March 2019	1,114	898

11 Implications

11.1 Financial

The continued loss of Formula Funding from the Government is a key risk which will undoubtedly impact on the Council's ability to deliver services in the future. The impact can be reduced (or increased) as a result of the New Financial Regime and the opportunities / risks associated with the Business Rates Retention scheme.

11.2 Legal

The legal implications are set out throughout the report including the statutory requirement for the Council to set a balanced budget.

11.3 Human Resources

None

11.4 Section 17 (Crime Prevention)

None

11.5 Human Rights Act

None

11.6 Data Protection

None

11.7 Risk Management

Risk management issues have been covered in the report detail.

11.8 Equality & Diversity

In preparing a balanced budget for consultation Cabinet will need to ensure that due regard is made to Equality and Diversity implications as well as financial considerations. The standstill budget will reflect the Council's current Equality and Diversity policy whereas changes to service provision will need to be addressed as part of the Delivering Change process.

11.9 Best Value

None

12 Appendices to the Report

APPENDIX 1	Risks considered in determining the Working Balance
APPENDIX 2	Detailed Portfolio Budgets and Variation Statements
APPENDIX 3	Capital Programme 2016-17 to 2018-19
APPENDIX 4	General Fund and Section 106 Capital Budgets 2016-17 to 2018-19
APPENDIX 5	Business Rates Retained Income
APPENDIX 6	Other General Fund Earmarked Reserves
APPENDIX 7	Robustness of the Budget Estimates and the Adequacy of the Council's Reserves
APPENDIX 8	Council Tax Base –Parishes

Previous Consideration

Financial Plan 2015-16 to 2018-19	Cabinet	10 December, 2015
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Background Papers

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
Resources								
Revenue Support Grant	Low	N/A	0.070	0.345			0.035	<p>The Government as part of the provisional settlement for 2016-17 have provided provisional figures for 2017-18 and 2018-19 with the opportunity to fix the funding settlement to 2019/20.</p> <p>Funding is expected to reduce by 13.7% in 2017/18 and 8.5% in 2018-19</p> <p>Although no details exist in relation to this the provision of future years indicative figures reduces the risk involved with the Council extrapolating its own assumptions.</p> <p>The indicative figures may change as a result of business rates/ multipliers and unforeseen economic events such as failing to meet its fiscal targets for a budget surplus with a potential to implement savings in advance of 2019/20</p> <p>A 1% reduction in funding amounts to £0.042 million</p>

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
Resources								
Business Rates Baseline	Low	N/A		+/- 0.500				<p>The Chancellor has announced during the last year that local government will be able to retain 100% of Business Rates by 2019/20. The government intend to consult on this proposal during 2016 and hence its impact cannot be determined. The Government have announced that the retention of business rates will be fiscally neutral however the proposals do refer to the change also rebalancing support to local authorities with social care responsibilities and also passing on new responsibilities to local government.</p> <p>In light of the 2017 NNDR revaluation it is unlikely that changes will apply before 2018-19.</p> <p>The 100% retention of business rates is likely to see the demise of Business Rate pools.</p>

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
- Volatility in Business Rates	Med/ Low	+1.033	+1.054	+1.075	+0.263	+0.538	+0.806	The Council will be exposed to volatility or reduction in its business rates due to the failure or temporary closure of a key industry and the impact of Appeals against Rateable Values. This is particularly acute for Cannock Chase with Rugeley Power Station representing 9% of its rateable value. A Safety Net exists via Pooling arrangements which guarantees 92.5% of Business Rates Baseline Funding. The provisional Baseline for 2016-17 amounts to £2.8m with a resultant safety net requirement of £0.2m in 2016-17. Current projections indicate actual Business Rates will be £1.02 m above the baseline and hence in addition to Safety Net requirements. In addition the Council will receive a contribution of 32.5% (£0.33m in 2016-17) of such growth in relation to the Levy Paid into the GB&S Business Rates Pool.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
Council Tax Base	Med		+/- 0.053	+/- 0.053		+/- 0.026	+/- 0.026	The Council Tax base for 2016-17 is based upon a cut off point each year and although figures are up to date at November 2015 they will vary as properties become occupied /unoccupied etc. and the impact of new properties coming in line during the next financial year. The major risk relates to whether the forecast increase in Council Tax base can be achieved. . The budget assumes a 1% increase in 2017-18 and 2018-19. A 1% variation amounts to approximately £53,000.
Council Tax	Low	0.270						Council Tax increases will be subject to a referendum if considered excessive by the Government. The Council Tax level determines the resource base for future years and any “capping” will impact upon the Medium term Plan. No provision exists for the additional admin. costs of a referendum and rebilling

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
New Homes Bonus	Med/ High		+ 0.552	+ 0.422		+ 0.275		The provisional New Homes Bonus Grant for 2016-17 is in line with the Councils own estimate. The risk relates to future years funding. The Government is currently consulting on a scheme that will reduce the payments from a six to a four year rolling programme in order to provide £800 m saving. The new scheme is likely to be introduced in 2017-18, with a potential five year transition period however each authority is also likely to have a baseline figure before New Homes Bonus is generated in future and that the grant will not apply for homes allowed under appeal. The consultation document also refers to the potential to protect individual authorities that are particularly affected by the proposed changes however how this will work in practice is difficult to determine since the reduction from 6 to 4 years represents a 33% reduction alone.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
<u>Realism of standstill budget</u>								The budget is based upon realistic estimates with the strategy assuming all budgets will be controlled within agreed levels. However, a number of budgets are not within the control of the Council or involve a risk element.
Staff Turnover	Low	+0.330	+0.340	+0.350		+0.034	+0.034	The budget contains annual savings of approximately £0.330m due to staff turnover. The current economic climate restricts the opportunities for external migration however corporate budgetary control exists to ensure that the employee budget is contained within the overall budget.
Provision for Bad Debts	Med	+0.100	+0.100	+0.100	+0.050	+0.050	+0.050	The introduction of the Council Tax Reduction scheme resulted in an increase in the amount some people previously in receipt of council tax benefit are required to pay to the Council. It is unknown how much of this additional debt will be collectable and so the level of bad debts for the Council may increase.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
Planning Fees	Med	+/- 0.100	+/- 0.200	+/- 0.200	+ 0.050	+/- 0.100	+/- 0.100	Planning fees income continues to show a downturn with the base budget showing ongoing reductions of £160,000 as compared to the 2014/15 original budget. The situation is being monitored on a regular basis and if this trend continues corrective action will be required in advance of the 2017/18 financial year.
Recycling Credits	Med			-0.150			-0.050	The current budget is in line with the County Council's MTFS and the proposed budget reductions in respect of "green waste" recycling credits. Initiatives currently exist to identify "joint efficiency savings" that may alleviate the need for such a reduction however it may be difficult to implement such savings for 2018-19.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		16-17 £m	17-18 £m	18-19 £m	16-17 £m	17-18 £m	18-19 £m	
Rates	Low		+0.024	+0.036				Variations to the budget will arise if the NNDR multiplier increases are in excess of the Council inflation assumption. Recent Government announcements suggest that increases will be lower than the September inflation levels.
Energy	Low/ Med							Energy prices are subject to volatility and although a time lag exists between changes in wholesale food and energy costs and actual charges the budget reflects the latest contracts for energy supply.
General Contingency					+0.200	+0.150	+0.150	Future year's budgets reflect the ongoing aggregate implications of assumptions that have a high risk identified unless separately identified .Provision will however be required for unforeseen events
Maximum					0.578	1.158	1.211	
Minimum					0.578	0.906	0.809	
Average					0.578	1.032	1.010	
Audit Commission					0.681	0.667	0.702	

Leader of the Council

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Democratic Services				
Employee Expenses	175,430	180,520	184,630	188,860
Transport Related Expenditure	3,720	3,690	3,730	3,770
Supplies & Services	388,930	385,920	389,780	393,670
Total Expenditure	568,080	570,130	578,140	586,300
Democratic Services Net Expenditure	568,080	570,130	578,140	586,300
2 Elections				
Employee Expenses	129,710	134,890	102,170	140,910
Premises Related Expenditure	10,150	10,350	-	10,560
Transport Related Expenditure	3,680	3,690	150	3,760
Supplies & Services	107,090	108,270	52,600	109,890
Total Expenditure	250,630	257,200	154,920	265,120
Income	8,960	(1,070)	(1,100)	(1,130)
Total Income	8,960	(1,070)	(1,100)	(1,130)
Elections Net Expenditure	259,590	256,130	153,820	263,990
3 Executive Management & Support				
Employee Expenses	259,270	258,550	265,060	271,700
Transport Related Expenditure	1,380	1,410	1,430	1,440
Supplies & Services	85,450	111,310	112,100	112,990
Total Expenditure	346,100	371,270	378,590	386,130
Income	-	(50,000)	(50,000)	(50,000)
Total Income	-	(50,000)	(50,000)	(50,000)
Executive Management & Support Net Expenditure	346,100	321,270	328,590	336,130
4 e-Government				
Supplies & Services	19,340	19,710	19,910	20,110
Total Expenditure	19,340	19,710	19,910	20,110
e-Government Net Expenditure	19,340	19,710	19,910	20,110
5 Grants & Contributions				
Supplies & Services	172,310	174,230	175,970	177,730
Total Expenditure	172,310	174,230	175,970	177,730
Grants & Contributions Net Expenditure	172,310	174,230	175,970	177,730
Leader of the Council Net Expenditure	1,365,420	1,341,470	1,256,430	1,384,260

Leader of the Council Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	576	-2	574	553	-1	552	6	43	601
Premises Related Costs	10	-	10	-	-	-	-	11	11
Transport Related Costs	10	-1	9	7	-2	5	-	4	9
Supplies and Services	802	-3	799	753	-3	750	7	57	814
Third Party Payments	-	-	-	-	-	-	-	-	-
Capital Financing	-	-	-	-	-	-	-	-	-
Total Expenditure	1,398	-6	1,392	1,313	-6	1,307	13	115	1,435
Income	-1	-50	-51	-1	-50	-51	-	-	-51
Net Expenditure	1,397	-56	1,341	1,312	-56	1,256	13	115	1,384

Leader of the Council Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Senior management restructure		-53
Combined authority		25
Members allowances		-26
Apprenticeships		
Expenditure	50	
Income	-50	0
minor variations		-2
		<u>-56</u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Senior management restructure		-53
Combined authority		25
Members allowances		-26
Apprenticeships		
Expenditure	50	
Income	-50	0
minor variations		-2
		<u>-56</u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		8
District elections		107
		<u>115</u>

Corporate Improvement

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Public Buildings				
Employee Expenses	353,120	375,590	386,430	397,120
Premises Related Expenditure	549,420	534,580	543,380	552,010
Transport Related Expenditure	5,750	5,860	5,940	6,020
Supplies & Services	45,240	45,670	46,110	46,550
Third Party Payments	15,610	15,770	15,930	16,090
Total Expenditure	969,140	977,470	997,790	1,017,790
Income	(391,880)	(340,970)	(378,600)	(381,950)
Total Income	(391,880)	(340,970)	(378,600)	(381,950)
Public Buildings Net Expenditure	577,260	636,500	619,190	635,840
2 Legal Services				
Third Party Payments	222,800	233,450	239,750	244,930
Total Expenditure	222,800	233,450	239,750	244,930
Income	(140,730)	(145,510)	(149,880)	(154,380)
Total Income	(140,730)	(145,510)	(149,880)	(154,380)
Legal Services Net Expenditure	82,070	87,940	89,870	90,550
3 Technology				
Supplies & Services	128,260	129,240	130,250	131,270
Third Party Payments	726,590	751,750	763,700	773,880
Total Expenditure	854,850	880,990	893,950	905,150
Income	(177,810)	(183,860)	(189,380)	(195,060)
Total Income	(177,810)	(183,860)	(189,380)	(195,060)
Technology Net Expenditure	677,040	697,130	704,570	710,090
4 Finance				
Employee Expenses	900,950	947,160	973,340	998,410
Transport Related Expenditure	24,050	21,430	21,640	21,850
Supplies & Services	115,540	117,070	118,230	119,390
Total Expenditure	1,040,540	1,085,660	1,113,210	1,139,650
Income	(777,250)	(810,650)	(831,150)	(851,740)
Total Income	(777,250)	(810,650)	(831,150)	(851,740)
Finance Net Expenditure	263,290	275,010	282,060	287,910
5 Governance				
Employee Expenses	89,580	91,370	93,550	95,750
Transport Related Expenditure	1,000	1,020	1,030	1,040
Supplies & Services	30,640	30,640	30,640	17,060
Total Expenditure	121,220	123,030	125,220	113,850
Income	(15,270)	(29,750)	(29,890)	(16,390)
Total Income	(15,270)	(29,750)	(29,890)	(16,390)
Governance Net Expenditure	105,950	93,280	95,330	97,460

Corporate Improvement

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
6 Human Resources				
Third Party Payments	198,540	213,270	219,360	225,790
Total Expenditure	198,540	213,270	219,360	225,790
Income	(119,440)	(123,500)	(127,210)	(131,020)
Total Income	(119,440)	(123,500)	(127,210)	(131,020)
Human Resources Net Expenditure	79,100	89,770	92,150	94,770
7 Corporate Management				
Supplies & Services	90,920	92,030	92,950	93,880
Total Expenditure	90,920	92,030	92,950	93,880
Income	(32,730)	(33,840)	(34,860)	(35,910)
Total Income	(32,730)	(33,840)	(34,860)	(35,910)
Corporate Management Net Expenditure	58,190	58,190	58,090	57,970
8 Non-Distributed Costs				
Employee Expenses	345,710	320,000	329,600	339,500
Total Expenditure	345,710	320,000	329,600	339,500
Income	-	(40,000)	(40,000)	(40,000)
Total Income	-	(40,000)	(40,000)	(40,000)
Non-Distributed Costs Net Expenditure	345,710	280,000	289,600	299,500
9 Customer Services				
Employee Expenses	196,090	205,900	212,110	218,420
Premises Related Expenditure	1,590	1,610	1,630	1,650
Supplies & Services	65,640	66,370	67,040	67,710
Total Expenditure	263,320	273,880	280,780	287,780
Income	(76,620)	(79,230)	(81,610)	(84,060)
Total Income	(76,620)	(79,230)	(81,610)	(84,060)
Customer Services Net Expenditure	186,700	194,650	199,170	203,720
10 Corporate Services				
Employee Expenses	99,070	104,430	108,180	112,260
Supplies & Services	85,430	86,270	87,100	87,970
Total Expenditure	184,500	190,700	195,280	200,230
Income	(32,370)	(33,470)	(34,480)	(35,530)
Total Income	(32,370)	(33,470)	(34,480)	(35,530)
Corporate Services Net Expenditure	152,130	157,230	160,800	164,700
11 Excluded Items				
Employee Expenses	23,000	-	-	-
Supplies & Services	95,480	95,480	95,480	95,480
Total Expenditure	118,480	95,480	95,480	95,480
Income	(788,570)	(841,220)	(863,410)	(886,230)
Total Income	(788,570)	(841,220)	(863,410)	(886,230)
Excluded Items Net Expenditure	(670,090)	(745,740)	(767,930)	(790,750)

Corporate Improvement

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
12 Communications				
Employee Expenses	176,850	178,230	183,100	188,090
Transport Related Expenditure	2,640	2,860	2,910	2,950
Supplies & Services	28,140	28,440	28,740	29,030
Total Expenditure	207,630	209,530	214,750	220,070
Income	(3,230)	(3,340)	(3,440)	(3,540)
Total Income	(3,230)	(3,340)	(3,440)	(3,540)
Communications Net Expenditure	204,400	206,190	211,310	216,530
13 Policy & Performance				
Employee Expenses	162,380	203,420	209,620	215,110
Transport Related Expenditure	1,220	1,240	1,250	1,260
Supplies & Services	28,070	28,640	28,920	29,200
Total Expenditure	191,670	233,300	239,790	245,570
Policy & Performance Net Expenditure	191,670	233,300	239,790	245,570
14 Local Taxation				
Employee Expenses	2,598,000	2,415,220	2,478,950	2,549,450
Transport Related Expenditure	44,100	44,760	45,100	45,550
Supplies & Services	451,170	400,780	347,550	351,010
Capital Financing Costs	6,580	6,580	6,580	6,580
Total Expenditure	3,099,850	2,867,340	2,878,180	2,952,590
Income	(2,668,460)	(2,377,680)	(2,366,610)	(2,362,730)
Total Income	(2,668,460)	(2,377,680)	(2,366,610)	(2,362,730)
Local Taxation Net Expenditure	431,390	489,660	511,570	589,860
15 Vehicles				
Employee Expenses	137,620	120,370	123,530	126,790
Premises Related Expenditure	5,080	5,140	5,200	5,260
Transport Related Expenditure	16,320	14,450	14,590	14,890
Supplies & Services	57,900	43,270	6,950	7,180
Third Party Payments	550	560	570	580
Total Expenditure	217,470	183,790	150,840	154,700
Income	(230,230)	(180,490)	(187,890)	(192,490)
Total Income	(230,230)	(180,490)	(187,890)	(192,490)
Vehicles Net Expenditure	(12,760)	3,300	(37,050)	(37,790)
16 Land Charges				
Employee Expenses	25,330	26,230	26,890	27,590
Supplies & Services	39,790	40,200	40,620	41,040
Total Expenditure	65,120	66,430	67,510	68,630
Income	(149,000)	(66,430)	(67,510)	(68,630)
Total Income	(149,000)	(66,430)	(67,510)	(68,630)
Land Charges Net Expenditure	(83,880)	-	-	-

Corporate Improvement

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
17 Audit				
Employee Expenses	275,030	286,940	294,290	301,820
Transport Related Expenditure	7,520	7,660	7,730	7,800
Supplies & Services	30,290	30,600	30,910	31,220
Total Expenditure	312,840	325,200	332,930	340,840
Income	(124,430)	(128,980)	(131,600)	(134,800)
Total Income	(124,430)	(128,980)	(131,600)	(134,800)
Audit Net Expenditure	188,410	196,220	201,330	206,040
18 Risk and Resilience				
Employee Expenses	179,880	172,700	179,020	185,910
Premises Related Expenditure	140	140	140	140
Transport Related Expenditure	5,020	3,060	3,090	3,120
Supplies & Services	759,310	742,840	747,540	751,940
Total Expenditure	944,350	918,740	929,790	941,110
Income	(746,900)	(740,330)	(757,220)	(773,520)
Total Income	(746,900)	(740,330)	(757,220)	(773,520)
Risk and Resilience Net Expenditure	197,450	178,410	172,570	167,590
Corporate Improvement Net Expenditure	2,974,030	3,131,040	3,122,420	3,239,560

Corporate Improvement Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	5,754	- 306	5,448	5,906	- 307	5,599	59	98	5,756
Premises Related Costs	578	- 36	542	588	- 38	550	9	-	559
Transport Related Costs	105	- 3	102	106	- 3	103	1	1	105
Supplies and Services	1,775	202	1,977	1,855	44	1,899	17	- 16	1,900
Third Party Payments	1,215	-	1,215	1,239	-	1,239	25	- 3	1,261
Capital Financing	6	-	6	6	-	6		-	6
Total Expenditure	9,433	- 143	9,290	9,700	- 304	9,396	111	80	9,587
Income	- 6,256	97	- 6,159	- 6,342	68	- 6,274	- 127	54	- 6,347
Net Expenditure	3,177	- 46	3,131	3,358	- 236	3,122	- 16	134	3,240

Corporate Improvement Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Senior management restructure		-39
Living wage increase		10
Reduction in Utilities		-35
Land charges reduced income to break even		26
Lease of High Green		-8
Reduction in added years pension payments		-11
Vehicle workshop reduced net income		
Expenditure	-27	
Income	72	45
Additional shared service contributions		-40
Removal of budget balances		-23
Reduced income from vacation of Anson Street		32
minor variations		-3
		<u>-46</u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Senior management restructure		-39
Living wage increase		10
Reduction in Utilities		-35
Revenue impact of capital programme		-120
Land charges reduced income to break even		28
Lease of High Green		-8
Reduction in added years pension payments		-8
Vehicle workshop reduced net income		
Expenditure	-64	
Income	72	8
Additional shared service contributions		-40
Removal of budget balances		-23
minor variations		-9
		<u>-236</u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Staffing variations and Increments		24
Increase in Superannuation		74
Reduced Housing Benefit Administration Grant		51
Shared services increased contributions		-15
		<u>134</u>

Crime & Partnerships

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Partnerships				
Employee Expenses	166,510	148,480	153,430	157,380
Premises Related Expenditure	22,190	19,800	20,190	20,550
Transport Related Expenditure	2,260	2,310	2,330	2,350
Supplies & Services	8,800	8,550	8,640	8,730
Total Expenditure	199,760	179,140	184,590	189,010
Income	(36,670)	-	-	-
Total Income	(36,670)	-	-	-
Partnerships Net Expenditure	163,090	179,140	184,590	189,010
Crime & Partnerships Net Expenditure	163,090	179,140	184,590	189,010

Crime & Partnerships Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	185	- 37	148	191	- 38	153	2	2	157
Premises Related Costs	23	- 3	20	23	- 3	20	-	1	21
Transport Related Costs	2	-	2	2	-	2	-	-	2
Supplies and Services	9	-	9	9	-	9	-	-	9
Third Party Payments	-	-	-	-	-	-	-	-	-
Capital Financing	-	-	-	-	-	-	-	-	-
Total Expenditure	219	- 40	179	225	- 41	184	2	3	189
Income	- 37	37	-	- 37	37	-	-	-	-
Net Expenditure	182	- 3	179	188	- 4	184	2	3	189

Crime & Partnerships Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Crime prevention officer funded from reserves ends March 2016		
Expenditure	-37	
Income	37	0
minor variations		-3
		<u><u>-3</u></u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Crime prevention officer funded from reserves ends March 2016		
Expenditure	-37	
Income	37	0
minor variations		-4
		<u><u>-4</u></u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		2
minor variations		1
		<u><u>3</u></u>

Culture and Sport

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Parks & Open Spaces				
Employee Expenses	254,370	259,460	264,620	267,450
Premises Related Expenditure	774,870	781,400	799,750	817,210
Transport Related Expenditure	10,490	10,520	10,540	10,670
Supplies & Services	138,590	124,170	128,540	129,410
Third Party Payments	156,400	155,770	159,450	163,130
Total Expenditure	1,334,720	1,331,320	1,362,900	1,387,870
Income	(175,110)	(162,410)	(163,400)	(162,000)
Total Income	(175,110)	(162,410)	(163,400)	(162,000)
Parks & Open Spaces Net Expenditure	1,159,610	1,168,910	1,199,500	1,225,870
2 Stadium				
Premises Related Expenditure	30,000	30,000	30,000	30,000
Supplies & Services	38,340	38,340	38,340	38,720
Total Expenditure	68,340	68,340	68,340	68,720
Stadium Net Expenditure	68,340	68,340	68,340	68,720
3 Cemeteries				
Employee Expenses	93,580	91,140	93,780	96,470
Premises Related Expenditure	38,930	49,490	50,280	51,070
Transport Related Expenditure	5,160	5,260	5,370	5,480
Supplies & Services	20,150	20,360	20,570	20,780
Total Expenditure	157,820	166,250	170,000	173,800
Income	(137,480)	(153,110)	(157,700)	(162,440)
Total Income	(137,480)	(153,110)	(157,700)	(162,440)
Cemeteries Net Expenditure	20,340	13,140	12,300	11,360
4 Contract Monitoring				
Employee Expenses	157,050	166,660	173,610	179,430
Premises Related Expenditure	10,370	10,470	10,580	10,690
Transport Related Expenditure	12,470	12,730	12,930	13,130
Supplies & Services	3,200	3,230	3,260	3,290
Total Expenditure	183,090	193,090	200,380	206,540
Income	(38,790)	(40,110)	(41,310)	(42,550)
Total Income	(38,790)	(40,110)	(41,310)	(42,550)
Contract Monitoring Net Expenditure	144,300	152,980	159,070	163,990
5 Leisure Management Contract				
Premises Related Expenditure	160,040	161,650	164,840	168,130
Supplies & Services	1,539,420	1,705,030	1,736,650	1,840,690
Total Expenditure	1,699,460	1,866,680	1,901,490	2,008,820
Income	(160,040)	(161,650)	(163,270)	(164,910)
Total Income	(160,040)	(161,650)	(163,270)	(164,910)
Leisure Management Contract Net Expenditure	1,539,420	1,705,030	1,738,220	1,843,910

Culture and Sport

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
6 Leisure, Planning & Marketing				
Employee Expenses	87,850	89,710	93,240	96,790
Transport Related Expenditure	1,070	1,090	1,100	1,110
Supplies & Services	7,340	7,450	7,570	7,690
Total Expenditure	96,260	98,250	101,910	105,590
Leisure, Planning & Marketing Net Expenditure	96,260	98,250	101,910	105,590
7 Civic Ballroom				
Premises Related Expenditure	570	580	590	600
Total Expenditure	570	580	590	600
Income	(9,440)	(13,570)	(13,700)	(13,980)
Total Income	(9,440)	(13,570)	(13,700)	(13,980)
Civic Ballroom Net Expenditure	(8,870)	(12,990)	(13,110)	(13,380)
Culture and Sport Net Expenditure	3,019,400	3,193,660	3,266,230	3,406,060

Culture & Sport Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	604	3	607	619	6	625	6	9	640
Premises Related Costs	1,029	5	1,034	1,049	7	1,056	20	2	1,078
Transport Related Costs	30	-	30	30	-	30	1	-1	30
Supplies and Services	1,906	-8	1,898	1,938	-3	1,935	43	63	2,041
Third Party Payments	159	-3	156	163	-4	159	-	4	163
Capital Financing	-	-	-	-	-	-	-	-	-
Total Expenditure	3,728	-3	3,725	3,799	6	3,805	70	77	3,952
Income	-519	-12	-531	-529	-10	-539	-9	2	-546
Net Expenditure	3,209	-15	3,194	3,270	-4	3,266	61	79	3,406

Culture & Sport Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Closed cemeteries		10
Inflation savings Leisure Management contract cost		-24
Reduced utility costs		-4
minor variations		3
		<u>-15</u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Closed cemeteries		10
Inflation savings Leisure Management contract cost		-21
Reduced utility costs		-4
Staffing variations		6
minor variations		5
		<u>-4</u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		9
Year 7 Leisure Management contract fee per agreement		62
minor variations		8
		<u>79</u>

Economic Development and Planning

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Economic Development				
Employee Expenses	115,900	130,490	135,450	140,260
Transport Related Expenditure	6,280	5,910	5,970	6,030
Supplies & Services	15,450	25,080	21,390	21,530
Total Expenditure	137,630	161,480	162,810	167,820
Income	-	(9,350)	(5,500)	(5,450)
Total Income	-	(9,350)	(5,500)	(5,450)
Economic Development Net Expenditure	137,630	152,130	157,310	162,370
2 Management & Support				
Employee Expenses	375,770	348,890	360,160	369,150
Transport Related Expenditure	13,000	10,230	10,290	10,390
Supplies & Services	151,570	126,430	126,710	127,970
Transfer Payments	9,750	9,750	9,750	9,750
Total Expenditure	550,090	495,300	506,910	517,260
Income	(100,000)	(100,000)	(100,000)	(100,000)
Total Income	(100,000)	(100,000)	(100,000)	(100,000)
Management & Support Net Expenditure	450,090	395,300	406,910	417,260
3 Development Control				
Employee Expenses	238,450	250,790	159,880	168,170
Transport Related Expenditure	5,540	5,650	5,710	5,770
Supplies & Services	55,780	33,120	33,460	33,810
Total Expenditure	299,770	289,560	199,050	207,750
Income	(263,200)	(268,210)	(228,050)	(234,890)
Total Income	(263,200)	(268,210)	(228,050)	(234,890)
Development Control Net Expenditure	36,570	21,350	(29,000)	(27,140)
4 Building Control				
Employee Expenses	467,400	484,870	498,830	512,740
Transport Related Expenditure	44,250	39,440	39,950	40,470
Supplies & Services	90,390	62,370	61,050	61,650
Total Expenditure	602,040	586,680	599,830	614,860
Income	(504,950)	(477,980)	(489,620)	(502,730)
Total Income	(504,950)	(477,980)	(489,620)	(502,730)
Building Control Net Expenditure	97,090	108,700	110,210	112,130
5 Industrial Sites				
Premises Related Expenditure	4,910	4,570	4,780	4,870
Supplies & Services	4,030	4,070	4,110	4,150
Capital Financing Costs	1,610	1,610	1,610	1,610
Total Expenditure	10,550	10,250	10,500	10,630
Income	(106,600)	(106,600)	(106,600)	(106,600)
Total Income	(106,600)	(106,600)	(106,600)	(106,600)
Industrial Sites Net Expenditure	(96,050)	(96,350)	(96,100)	(95,970)

Economic Development and Planning

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
6 Christmas Illuminations				
Premises Related Expenditure	1,650	1,700	1,710	1,710
Supplies & Services	32,270	32,590	32,920	33,250
Total Expenditure	33,920	34,290	34,630	34,960
Christmas Illuminations Net Expenditure	33,920	34,290	34,630	34,960
Economic Development and Planning Net Expenditure	659,250	615,420	583,960	603,610

Economic Development Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	1,217	-2	1,215	1,156	-2	1,154	12	24	1,190
Premises Related Costs	7	-1	6	7	-	7	-	-	7
Transport Related Costs	66	-5	61	67	-5	62	1	-	63
Supplies and Services	328	-44	284	330	-50	280	3	-1	282
Third Party Payments	10	-	10	10	-	10	-	-	10
Capital Financing	1	-	1	1	-	1	-	-	1
Total Expenditure	1,629	-52	1,577	1,571	-57	1,514	16	23	1,553
Income	-1,050	88	-962	-1,023	93	-930	-20	1	-949
Net Expenditure	579	36	615	548	36	584	-4	24	604

Economic Development Portfolio

Proposed Real Terms / Efficiency Variations

2016/17 Change

	£'000	£'000
<u>Real Term Variations</u>		
Section 106 funding		
Expenditure	10	
Income	-10	
Net reduction planning fee income		35
minor variations		1
		<u>36</u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Section 106 funding		
Expenditure	10	
Income	-10	
Net reduction planning fee income		35
minor variations		1
		<u>36</u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Staffing variations (including increments)		3
Increase in Superannuation		18
minor variations		3
		<u>24</u>

Environment

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Waste & Recycling				
Employee Expenses	955,300	233,320	238,800	244,480
Premises Related Expenditure	560	570	580	590
Transport Related Expenditure	541,710	6,580	6,630	6,680
Supplies & Services	2,824,780	258,980	160,570	162,170
Third Party Payments	424,390	2,245,470	2,149,050	2,216,970
Total Expenditure	4,746,740	2,744,920	2,555,630	2,630,890
Income	(3,070,970)	(1,035,320)	(1,044,350)	(908,980)
Total Income	(3,070,970)	(1,035,320)	(1,044,350)	(908,980)
Waste & Recycling Net Expenditure	1,675,770	1,709,600	1,511,280	1,721,910
2 Regulatory Services				
Employee Expenses	494,940	516,350	529,360	542,690
Premises Related Expenditure	28,240	28,400	28,680	28,970
Transport Related Expenditure	17,690	18,580	18,780	18,980
Supplies & Services	63,230	60,910	61,510	62,110
Total Expenditure	604,100	624,240	638,330	652,750
Income	(19,060)	(19,630)	(20,220)	(20,830)
Total Income	(19,060)	(19,630)	(20,220)	(20,830)
Regulatory Services Net Expenditure	585,040	604,610	618,110	631,920
3 Cleansing Services				
Premises Related Expenditure	5,510	5,570	5,630	5,690
Supplies & Services	5,230	5,330	5,340	5,390
Third Party Payments	362,060	360,640	369,160	377,690
Total Expenditure	372,800	371,540	380,130	388,770
Cleansing Services Net Expenditure	372,800	371,540	380,130	388,770
4 Drainage Services				
Premises Related Expenditure	10,280	8,170	8,280	8,360
Supplies & Services	30	-	-	-
Total Expenditure	10,310	8,170	8,280	8,360
Drainage Services Net Expenditure	10,310	8,170	8,280	8,360
5 Street Cleansing				
Employee Expenses	378,740	387,000	397,860	408,830
Premises Related Expenditure	3,000	3,070	3,130	3,190
Transport Related Expenditure	163,060	148,790	151,000	153,060
Supplies & Services	24,890	25,090	25,290	25,540
Total Expenditure	569,690	563,950	577,280	590,620
Income	(566,200)	(563,950)	(577,280)	(590,620)
Total Income	(566,200)	(563,950)	(577,280)	(590,620)
Street Cleansing Net Expenditure	3,490	-	-	-

Environment

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
6 Grounds Maintenance				
Employee Expenses	556,790	574,510	592,790	609,620
Premises Related Expenditure	17,900	31,350	31,690	32,170
Transport Related Expenditure	168,630	152,390	153,330	155,480
Supplies & Services	200,890	208,910	211,650	213,760
Total Expenditure	944,210	967,160	989,460	1,011,030
Income	(951,260)	(967,160)	(989,460)	(1,011,030)
Total Income	(951,260)	(967,160)	(989,460)	(1,011,030)
Grounds Maintenance Net Expenditure	(7,050)	-	-	-
7 Countryside Management				
Employee Expenses	139,100	148,440	155,250	161,500
Premises Related Expenditure	7,740	8,890	9,050	9,210
Transport Related Expenditure	12,060	12,300	12,540	12,790
Supplies & Services	58,860	59,480	60,080	60,680
Total Expenditure	217,760	229,110	236,920	244,180
Income	(46,180)	(54,580)	(54,990)	(56,230)
Total Income	(46,180)	(54,580)	(54,990)	(56,230)
Countryside Management Net Expenditure	171,580	174,530	181,930	187,950
8 Allotments				
Premises Related Expenditure	2,480	2,510	2,550	2,580
Total Expenditure	2,480	2,510	2,550	2,580
Income	(4,500)	(4,500)	(4,500)	(4,640)
Total Income	(4,500)	(4,500)	(4,500)	(4,640)
Allotments Net Expenditure	(2,020)	(1,990)	(1,950)	(2,060)
9 Conservation Areas				
Employee Expenses	129,700	136,160	139,640	143,190
Transport Related Expenditure	5,480	5,590	5,650	5,710
Supplies & Services	2,020	2,040	2,060	2,080
Total Expenditure	137,200	143,790	147,350	150,980
Conservation Areas Net Expenditure	137,200	143,790	147,350	150,980
10 Public Clocks				
Premises Related Expenditure	4,790	4,820	4,930	5,020
Total Expenditure	4,790	4,820	4,930	5,020
Public Clocks Net Expenditure	4,790	4,820	4,930	5,020

Environment

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
11 Off Street Parking				
Premises Related Expenditure	258,720	247,340	252,100	256,660
Transport Related Expenditure	360	-	10	10
Supplies & Services	94,860	108,650	109,390	110,490
Third Party Payments	16,660	16,590	16,990	17,380
Total Expenditure	370,600	372,580	378,490	384,540
Income	(728,640)	(716,480)	(787,020)	(827,470)
Total Income	(728,640)	(716,480)	(787,020)	(827,470)
Off Street Parking Net Expenditure	(358,040)	(343,900)	(408,530)	(442,930)
12 Hawks Green Depot				
Employee Expenses	5,700	5,810	5,930	6,050
Premises Related Expenditure	105,950	101,260	103,190	105,150
Supplies & Services	15,330	15,510	15,690	15,870
Total Expenditure	126,980	122,580	124,810	127,070
Income	(123,540)	(127,720)	(131,550)	(135,510)
Total Income	(123,540)	(127,720)	(131,550)	(135,510)
Hawks Green Depot Net Expenditure	3,440	(5,140)	(6,740)	(8,440)
13 Licensing				
Employee Expenses	148,720	155,170	159,010	162,950
Transport Related Expenditure	4,350	4,440	4,480	4,530
Supplies & Services	23,450	23,700	23,950	24,200
Total Expenditure	176,520	183,310	187,440	191,680
Income	(283,150)	(291,650)	(300,420)	(306,990)
Total Income	(283,150)	(291,650)	(300,420)	(306,990)
Licensing Net Expenditure	(106,630)	(108,340)	(112,980)	(115,310)
Environment Net Expenditure	2,490,680	2,557,690	2,321,810	2,526,170

Environment Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	2,894	- 737	2,157	2,966	- 747	2,219	22	38	2,279
Premises Related Costs	450	- 8	442	458	- 8	450	8	-	458
Transport Related Costs	960	- 611	349	972	- 620	352	5	-	357
Supplies and Services	3,490	- 2,722	768	3,584	- 2,908	676	7	- 1	682
Third Party Payments	832	1,791	2,623	847	1,688	2,535	38	39	2,612
Capital Financing	-	-	-	-	-	-	-	-	-
Total Expenditure	8,626	- 2,287	6,339	8,827	- 2,595	6,232	80	76	6,388
Income	- 5,970	2,189	- 3,781	- 6,072	2,162	- 3,910	- 60	108	- 3,862
Net Expenditure	2,656	- 98	2,558	2,755	- 433	2,322	20	184	2,526

Environment Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Letting of new refuse contract		
Employees	-753	
Transport	-578	
Supplies	-2861	
Third Party	1861	
Income	<u>2186</u>	-145
Senior management restructure		20
Waste		
Food waste	-162	
Trade waste income	71	
Annual MRF costs	12	-79
Reduction off street parking income		25
Parking additional net enforcement costs		12
Environmental Improvements		100
St Joseph Church rent		-12
Streetcleansing reduced fuel costs		-17
minor variations		-2
		<u>-98</u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Letting of new refuse contract		
Employees	-768	
Transport	-586	
Supplies	-2947	
Third Party	1757	
Income	<u>2232</u>	-312
Senior management restructure		20
Waste		
Food waste	-162	
Trade waste income	71	
Annual MRF costs	12	-79
Increased off street parking income		-45
Parking additional net enforcement costs		12
St Joseph Church rent		-12
Streetcleansing reduced fuel costs		-17
		<u>-433</u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		31
Reduced income from green waste		164
Increased off street parking income		-40
Waste additional properties		20
minor variations		9
		<u>184</u>

Health and Wellbeing

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Benefits Payments				
Transfer Payments	26,880,000	21,773,870	16,393,230	16,276,110
Total Expenditure	26,880,000	21,773,870	16,393,230	16,276,110
Income	(26,983,050)	(21,866,050)	(16,474,550)	(16,357,430)
Total Income	(26,983,050)	(21,866,050)	(16,474,550)	(16,357,430)
Benefits Payments Net Expenditure	(103,050)	(92,180)	(81,320)	(81,320)
2 Food Safety				
Employee Expenses	285,530	298,910	306,560	314,380
Transport Related Expenditure	9,450	9,640	9,740	9,840
Supplies & Services	25,170	25,440	25,710	25,980
Total Expenditure	320,150	333,990	342,010	350,200
Food Safety Net Expenditure	320,150	333,990	342,010	350,200
3 Management & Administration				
Employee Expenses	49,720	46,540	47,770	49,000
Transport Related Expenditure	1,140	1,160	1,170	1,180
Supplies & Services	810	820	830	840
Total Expenditure	51,670	48,520	49,770	51,020
Management & Administration Net Expenditure	51,670	48,520	49,770	51,020
4 Mortuary				
Employee Expenses	33,180	38,240	39,090	39,960
Premises Related Expenditure	15,870	18,250	18,580	18,910
Supplies & Services	18,610	18,770	18,930	19,090
Total Expenditure	67,660	75,260	76,600	77,960
Income	(87,670)	(93,420)	(93,480)	(93,480)
Total Income	(87,670)	(93,420)	(93,480)	(93,480)
Mortuary Net Expenditure	(20,010)	(18,160)	(16,880)	(15,520)
5 CCTV				
Employee Expenses	167,070	156,370	160,750	165,180
Premises Related Expenditure	42,100	38,070	38,390	39,110
Transport Related Expenditure	1,000	1,020	1,030	1,040
Supplies & Services	95,340	97,040	98,780	99,180
Total Expenditure	305,510	292,500	298,950	304,510
Income	(27,550)	(28,350)	(29,080)	(29,830)
Total Income	(27,550)	(28,350)	(29,080)	(29,830)
CCTV Net Expenditure	277,960	264,150	269,870	274,680

Health and Wellbeing

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
6 Social Alarms				
Employee Expenses	176,440	182,400	187,110	191,950
Transport Related Expenditure	2,430	2,480	2,510	2,540
Supplies & Services	62,470	62,480	61,090	61,710
Total Expenditure	241,340	247,360	250,710	256,200
Income	(298,240)	(304,750)	(310,860)	(316,630)
Total Income	(298,240)	(304,750)	(310,860)	(316,630)
Social Alarms Net Expenditure	(56,900)	(57,390)	(60,150)	(60,430)
7 Locality Commissioning Partnership				
Supplies & Services	50,000	-	-	-
Total Expenditure	50,000	-	-	-
Locality Commissioning Partnership Net Expenditure	50,000	-	-	-
Health and Wellbeing Net Expenditure	519,820	478,930	503,300	518,630

Health & Wellbeing Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	720	3	723	738	3	741	8	11	760
Premises Related Costs	59	-3	56	60	-3	57	1	-	58
Transport Related Costs	14	-	14	15	-	15	-	-	15
Supplies and Services	205	-	205	205	-	205	2	-	207
Transfer Payments	22,709	-935	21,774	17,702	-1,309	16,393	-	-117	16,276
Capital Financing	-	-	-	-	-	-	-	-	-
Total Expenditure	23,707	-935	22,772	18,720	-1,309	17,411	11	-106	17,316
Income	-23,222	929	-22,293	-18,211	1,303	-16,908	-7	118	-16,797
Net Expenditure	485	-6	479	509	-6	503	4	12	519

Health & Wellbeing Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Reduced utility costs		-2
Change in benefit payments (rent rebates 1% reduction)		
Expenditure	-935	
Income	935	0
minor variations		-4
		<u><u>-6</u></u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Reduced utility costs		-2
Change in benefit payments (rent rebates 1% reduction)		
Expenditure	-1309	
Income	1309	0
minor variations		-4
		<u><u>-6</u></u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		10
Change in benefit payments (rent rebates 1% reduction)		
Expenditure	-117	
Income	117	0
minor variations		2
		<u><u>12</u></u>

Housing General Fund

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Private Sector Housing				
Employee Expenses	183,580	185,320	190,470	195,710
Transport Related Expenditure	9,010	9,190	9,280	9,370
Supplies & Services	11,850	18,170	18,490	18,820
Total Expenditure	204,440	212,680	218,240	223,900
Private Sector Housing Net Expenditure	204,440	212,680	218,240	223,900
2 Circular 8/95				
Supplies & Services	37,030	37,520	37,900	38,280
Total Expenditure	37,030	37,520	37,900	38,280
Circular 8/95 Net Expenditure	37,030	37,520	37,900	38,280
3 Housing Services				
Employee Expenses	304,830	320,900	333,110	343,880
Transport Related Expenditure	3,580	3,660	3,690	3,720
Supplies & Services	88,680	104,730	105,760	106,800
Total Expenditure	397,090	429,290	442,560	454,400
Income	(108,610)	(111,950)	(115,060)	(117,730)
Total Income	(108,610)	(111,950)	(115,060)	(117,730)
Housing Services Net Expenditure	288,480	317,340	327,500	336,670
Housing General Fund Net Expenditure	529,950	567,540	583,640	598,850

Housing General Fund Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	561	-55	506	576	-52	524	5	11	540
Premises Related Costs		-	-	-	-	-	-	-	-
Transport Related Costs	13	-	13	13	-	13		-	13
Supplies and Services	161	-	161	162	-	162	2	-	164
Third Party Payments	-	-	-	-	-	-	-	-	-
Capital Financing	-	-	-	-	-	-	-	-	-
Total Expenditure	735	-55	680	751	-52	699	7	11	717
Income	-112	-	-112	-115	-	-115	-3	-	-118
Net Expenditure	623	-55	568	636	-52	584	4	11	599

Housing General Fund Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Senior management restructure		-49
Staffing variations		-9
minor variations		3
		<u>-55</u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Senior management restructure		-49
Staffing variations		-9
minor variations		6
		<u>-52</u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		7
minor variations		4
		<u>11</u>

Town Centre Regeneration

	Budget 2015-2016 £	Budget 2016-2017 £	Budget 2017-2018 £	Budget 2018-2019 £
1 Markets				
Employee Expenses	110,970	119,370	123,840	127,370
Premises Related Expenditure	148,390	142,820	125,470	127,320
Transport Related Expenditure	2,770	2,830	2,860	2,890
Supplies & Services	72,910	70,550	71,250	71,950
Total Expenditure	335,040	335,570	323,420	329,530
Income	(398,340)	(400,440)	(401,140)	(401,860)
Total Income	(398,340)	(400,440)	(401,140)	(401,860)
Markets Net Expenditure	(63,300)	(64,870)	(77,720)	(72,330)
2 Town Centre Management				
Premises Related Expenditure	244,860	245,170	249,900	254,650
Supplies & Services	15,210	15,210	15,210	15,210
Total Expenditure	260,070	260,380	265,110	269,860
Income	(188,400)	(176,650)	(176,910)	(177,170)
Total Income	(188,400)	(176,650)	(176,910)	(177,170)
Town Centre Management Net Expenditure	71,670	83,730	88,200	92,690
3 Bus Shelters				
Premises Related Expenditure	27,650	26,150	26,700	27,210
Total Expenditure	27,650	26,150	26,700	27,210
Income	(39,660)	(40,850)	(42,080)	(43,340)
Total Income	(39,660)	(40,850)	(42,080)	(43,340)
Bus Shelters Net Expenditure	(12,010)	(14,700)	(15,380)	(16,130)
4 Miscellaneous Properties				
Premises Related Expenditure	12,230	12,020	12,250	12,480
Supplies & Services	460	490	500	510
Total Expenditure	12,690	12,510	12,750	12,990
Income	(22,020)	(22,050)	(22,450)	(22,480)
Total Income	(22,020)	(22,050)	(22,450)	(22,480)
Miscellaneous Properties Net Expenditure	(9,330)	(9,540)	(9,700)	(9,490)
Town Centre Regeneration Net Expenditure	(12,970)	(5,380)	(14,600)	(5,260)

Town Centre Regeneration Portfolio

Variation Statement 2016/2017 to 2018/2019

	2016/17 Indicative £000's	Real Terms / Efficiency Variations £000's	2016/17 Budget £000's	2017/18 Indicative £000's	Real Terms / Efficiency Variations £000's	2017/18 Budget £000's	Inflation £000's	Real Terms / Efficiency Variations £000's	2018/2019 Budget £000's
Employee Costs	115	5	120	119	5	124	1	2	127
Premises Related Costs	413	13	426	421	-7	414	8	-	422
Transport Related Costs	3	-	3	3	-	3	-	-	3
Supplies and Services	86	-	86	87	-	87	-	1	88
Third Party Payments	-	-	-	-	-	-	-	-	-
Capital Financing	-	-	-	-	-	-	-	-	-
Total Expenditure	617	18	635	630	-2	628	9	3	640
Income	-650	10	-640	-655	12	-643	-2	-	-645
Net Expenditure	-33	28	-5	-25	10	-15	7	3	-5

Town Centre Regeneration Portfolio**Proposed Real Terms / Efficiency Variations****2016/17 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Cannock markets shops rates payable on empty premises		20
Living wage		4
Reduced utility costs		-5
Reduced rental income Town Centre management		12
minor variations		-3
		<u>28</u>

2017/18 Change

	£'000	£'000
<u>Real Term Variations</u>		
Living wage		4
Reduced utility costs		-5
Reduced rental income Town Centre management		12
minor variations		-1
		<u>10</u>

2017/18 to 2018/19 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		2
minor variations		1
		<u>3</u>

APPENDIX 3

Capital Programme 2015-16 to 2018-19		
	General Fund	Section 106
	£000	£000
Environment		
Additional Cemetery Provision	1,500	-
Stile Cop Cemetery	155	-
Home Security	171	-
Wolseley Road POS Improvements	-	20
Sub Total – Environment	1,826	20
Housing		
Disabled Facilities Grants	2,349	-
Private Sector Decent Homes	135	-
Sub Total – Housing	2,484	
Culture and Sport		
Hednesford Park Improvements	1,726	142
Hednesford Signal Box	6	-
Relocation Arthur Street Play Area	-	3
Artificial Pitch Cardinal Griffin	-	4
Multi Use Games Area, Laburnum Avenue	-	121
Refurbishment Heath Hayes Park/Pitch	-	115
Play Area Refurbishment	50	-
Replacement Vehicles	80	-
Hednesford ATP	1,353	-
Play Area Refurbishment *	40	-
Stadium Development	1,529	532
Sub Total – Culture and Sport	4,784	917
Economic Development & Planning		
Economic Development & Physical Assets	400	-
Freight Terminal	2,300	
Engineering Training Facility *	500	
Sub Total – Econ Dev.	3,200	-
Corporate Improvement		
Civic Centre Accommodation Sharing	201	-
Vehicle Workshop	500	
ICT – San Server	70	
Civic Centre Car Park	300	
E Payments Upgrade	35	
Sub Total – Corp. Improvement	1,106	-
Town Centre Regeneration		
Town Centre Improvement	75	
Rugeley Town Centre Conservation	154	
Bus Shelter Refurbishment *	48	-
Rugeley Pedestrian /Cycle Linkage	-	391
Sub Total – Town Centres	277	391
Total Capital Programme	13,677	1,328

GENERAL FUND AND SECTION 106 CAPITAL BUDGETS 2015-16 TO 2018-19					
		2015-16	2016-17	2017-18	2018-19
		£'000	£'000	£'000	£'000
ENVIRONMENT					
	Additional Cemetery Provision	1,500		-	-
	Stile Cop Cemetery Phase 1	155	-	-	-
	Home Security	63	36	36	36
	Wolseley Road POS Improvements	-	20	-	-
	Total	1,718	56	36	36
HOUSING					
	Disabled Facilities Grants	414	328*	328*	328*
	Private Sector Decent Homes	135	-	-	-
	Total	549	328	328	328
CULTURE AND SPORT					
	Hednesford Park Improvements	1,868	-	-	-
	Hednesford Signal Box	6	-	-	-
	Artificial Pitch Cardinal Griffin (part s106 funding)	4	-	-	-
	Multi Use Games Area, Laburnum Avenue	-	121	-	-
	Refurbishment Heath Hayes Park/Pitch	-	34	81	
	Replacement Vehicles	80	-	-	-
	Hednesford ATP	1,353	-	-	-
	Stadium Development	1,380	-	-	-
	Total	4,691	155	81	-
ECONOMIC DEVELOPMENT & PLANNING					
	Rail Freight Hub	1,000	-	-	-
	Total	1,000	-	-	-

ITEM NO. 11.66

GENERAL FUND AND SECTION 106 CAPITAL BUDGETS 2015-16 TO 2018-19					
		2015-16	2016-17	2017-18	2018-19
		£'000	£'000	£'000	£'000
CORPORATE IMPROVEMENT					
	Civic Centre Accommodation Sharing	201	-	-	-
	ICT – San Server	70			
	E Payments Upgrade	35	-	-	-
	Total	306	-	-	-
TOWN CENTRE REGENERATION					
	Town Centre Improvement	75	-	-	-
	Rugeley Town Centre Conservation	154	-	-	-
	Bus Shelter Refurbishment	24	24	-	-
	Rugeley Pedestrian /Cycle Linkage	391	-	-	-
	Total	644	24	-	-
		-	-	-	-
TOTAL CAPITAL BUDGET		8,908	563	445	364
*	Subject to Better Care Fund allocation				

Appendix 5

Business Rates Retention - Retained Income				
		2016-17	2017-18	2018-19
		£	£	£
A. Business Rates Collection Fund				
Gross Rates		-42,757,762	-42,965,011	-43,824,133
Less	Reliefs etc.			
	Mandatory Relief	3,444,100	3,512,970	3,583,240
	Discretionary relief	91,670	93,510	95,380
	Exemptions	620,050	632,460	645,110
	Cost Of Collection	140,974	143,794	146,670
	Losses on collection	1,232,280	1,256,920	1,282,060
Business Rates Collectable		-37,228,688	-37,325,357	-38,071,673
Less	amount due to			
	Government	18,614,340	18,662,680	19,035,840
	County	3,350,580	3,359,280	3,426,450
	Fire	372,290	373,250	380,720
Net Business attributable to CCDC		-14,891,478	-14,930,147	-15,228,663
B. General Fund determination of retained Business Rates				
Net Business Rates attributable to CCDC		-14,891,478	-14,930,147	-15,228,663
less	Tariff	10,616,370	10,828,700	11,045,270
	Core Funding	2,786,330	2,842,060	2,926,000
	Growth	-1,488,778	-1,259,387	-1,257,393
Plus	New Burdens funding subject to Levy			
	Small Business Rates Relief	-516,726	-527,060	-537,602
	Retail relief	0	0	0
Amount subject to levy		-2,005,504	-1,786,447	-1,794,995
	Levy - GBS Pool	1,002,752	893,223	897,498
Business Rates Growth		-1,002,752	-893,223	-897,498
GBS Business Rates Pool distribution		-325,890	-290,300	-291,690
Retained Business Rates				
	Core Funding	-2,786,330	-2,842,060	-2,926,000
	Growth	-1,002,752	-893,223	-897,498
	GBS Business Rates Pool distribution	-325,890	-290,300	-291,690
		-4,114,972	-4,025,583	-4,115,188
Business Rates		-3,789,082	-3,735,283	-3,823,498
GBS Business Rates Pool distribution		-325,890	-290,300	-291,690
		-4,114,972	-4,025,583	-4,115,188

APPENDIX 6				
OTHER GENERAL FUND EARMARKED RESERVES				
	1/04/16	1/04/17	1/04/18	1/04/19
	£'000	£'000	£'000	£'000
Building Maintenance	318	318	318	318
Landlord's contingency and refurbishment reserve utilisation to be reviewed as part of the comprehensive Asset Management Review				
Internal Leasing Reserve/ IT	411	481	550	550
Fund to enable procurement of new Information Technology hardware, and internal leasing requirements of the Council, to be reimbursed by annual charge to revenue				
Actuarial Valuation	140	140	0	0
Reserve to mitigate impact of next Actuarial Valuation				
Budget Support	165	76	0	0
General Reserve earmarked for additional Local Plan expenditure				
Insurance Liabilities	190	190	190	190
Estimated amount of further claims to be received re earlier years to be funded by CCDC as part of excess policy				
Corporate Initiatives	202	152	102	52
Fund to meet the costs and assessments / feasibility work for corporate/ legislative initiatives				
Communications	124	124	124	124
Reserve to assist with the replacement and development of all communication systems				
Discretionary Rate Relief	120	120	120	120
Reserve to meet the costs to CCDC arising from reliefs granted under the Localism Act				
Central Training	20	20	20	20
Fund to meet non recurring corporate training initiatives				
Hednesford Regeneration	20	0	0	0
Balance of contribution received in relation to additional works required as part of regeneration scheme.				
CCTV Replacement	40	40	40	40
Reserve to assist with the replacement and re-location of CCTV				
Economic Development LEP	42	42	42	42
Balance of monies relating to support provided to GB&S LEP				
Project Development Reserve (LEP	100	100	100	100
Rolling fund to develop business cases re LEP investment bids				

APPENDIX 6 ctd				
OTHER GENERAL FUND EARMARKED RESERVES				
	1/04/16	1/04/17	1/04/18	1/04/19
	£'000	£'000	£'000	£'000
Rail Revenue	23	23	23	23
Reserve to meet the potential one off additional contributions in relation to the incremental rail services				
LAMS	72	72	72	72
Interest set a side re Local authority Mortgage Scheme				
Homelessness	20	0	0	0
Balances carried forward to fund additional homelessness prevention measures				
Civic Duties and Hospitality	17	17	17	17
Reserve to meet additional one off costs relating to civic Duties				
Other	84	72	64	64
Total	2,108	1,987	1,782	1,732

CABINET
1 FEBRUARY 2016
General Fund Revenue Budget 2016/17 to 2018/19 and Capital Programme
2015/16 to 2018/19

Report of the Chief Finance Officer on the Robustness of the Budget Estimates and the Adequacy of the Council's Reserves

Introduction

Section 25 of the Local Government Act 2003 places a duty on the Chief Financial Officer (Head of Finance) to make a report to the Council on the robustness of budget estimates and the adequacy of the Council's reserves. The Council must have regard to this report when making its decisions about budgets and council tax for the forthcoming year. This is because the Council is setting the council tax before the commencement of the year and cannot increase it during the year. An understanding of the risks of increased expenditure during the year in terms of likelihood and impact is therefore important.

Robustness of Budget Estimates

The Council's budget estimates for 2016/17 to 2018/19 have been prepared by appropriately qualified and experienced staff in consultation with service managers. Budgets have been discussed and fully managed by the Leadership Team. The budgets are considered to accurately reflect likely expenditure in 2016/17, being based on historic information, experience of expenditure in previous years and latest projections where appropriate. The indicative budgets for 2017/18 and 2018/19 are similarly based upon the best information available at this moment in time.

A full risk assessment of the Council's Budget 2016/17 has been carried out - APPENDIX 1).

Inflation of 1% has been allowed for the staff pay award within 2016/17 budgets, this is in accordance with the Government's provision for pay awards within the Local Government Finance Settlement and the offer made The National Employers, who negotiate pay on behalf of 350 local authorities in England. Allowance has also been made for staff incremental progression. Sufficient provision has been built in for current employer pension contributions, in line with the most recent actuarial valuation. Different vacancy rates have been assumed for Council services based on past experience.

Inflation on contractor costs has been allowed based on the projected retail / consumer prices index increases and on energy budgets based on anticipated tariff increases. Inflation has been provided on fees and charges, but excluding Car Parks and Allotments. Given the demand led nature of some of the more significant income

budgets, such as for parking, development control and land charges, prudent but realistic assumptions have been made about estimated income. The current economic climate is expected to continue to have a significant impact on fees and charges generally during 2016/17. Major sources of income will continue to be closely monitored throughout the year with a view to protecting overall income to the Council as far as possible.

Investment income of £130,000 has been included within 2016/17 budgets. This has been based on current projections of bank rate remaining at ½ % during the first part of 2016/17 but increasing for the last two quarters. Investment income also includes the saving arising from the prepayment of the fixed cash lump sum element of the 2016/17 Employers Superannuation Contribution. Prudent assumptions about cash flow have been made and the advice of the Council's treasury management consultants has been taken into account in determining the average rate of return.

No specific contingency budget is provided in 2016/17 as it is considered that the Council's overall revenue balances are sufficient to act as an overall contingency (see below). However, robust budget monitoring arrangements are in place and will continue throughout the year. These arrangements also include Business Rates Monitoring and New Homes Bonus forecasts. In addition to budget monitoring by officers, all Cabinet members will receive a monthly update and there will be quarterly reports to the Cabinet and relevant Scrutiny Committees.

Significant expenditure and income budgets will be monitored closely during the year. Any projected variances will be addressed in a timely manner.

The Council has a Risk Management Strategy and has identified its key corporate risks. Significant financial risks will be managed appropriately. In addition, some financial risks will be mitigated by the Council's insurance arrangements.

I can therefore confirm that the budget estimates as presented are robust.

Adequacy of the Council's Reserves

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance on local authority reserves and balances. It sets out three main purposes for which reserves are held:-

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies;
- A means of building up funds to meet known or predicted liabilities, known as earmarked reserves.

The Council held General Fund revenue balances of £1.249 million at 31 March 2015. In addition to this, earmarked revenue reserves amounting to £3.015million are forecast to be available as at 31 March 2016.

The Council also has a planned four year capital programme which is financially sustainable based on current capital resources and a prudent assessment of future capital resources. The financial strategy includes the use of unallocated reserves and a Revenue Contribution to Capital Outlay to supplement capital resources and mitigate any borrowing requirement; nevertheless Prudential Borrowing to finance the Council's capital programme will be used where there is a robust business case.

The Council has set a policy of a minimum level of 5.5% of net expenditure or the amount calculated by the risk analysis. The Budget for 2016/17 has been constructed on the basis that there will be a level of general reserves at 31 March 2016 in excess of the £0.681 million risk analysis requirement.

I can therefore confirm that the Council's reserves are adequate.

Bob Kean
Head of Finance
14 January 2016

APPENDIX 8**Council Tax Base 2016/17**

Parish	Band D Equivalents
Brereton and Ravenhill	1,794.28
Bridgtown	454.22
Brindley Heath	221.01
Cannock Wood	398.25
Heath Hayes and Wimblebury	3,951.66
Hednesford	4,664.60
Norton Canes	2,027.74
Rugeley	5,117.21
Unparished	8,519.90
	27,148.87