

Report of	Meeting	Date
Executive Cabinet (Introduced by the Executive Member for Resources)	Special Council	5 <sup>th</sup> March 2015

## **GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX 2015/16**

### **PURPOSE OF REPORT**

1. To seek approval of the Executive's budget proposal including the Council Tax rate to be received in 2015/16.

### **RECOMMENDATION(S)**

2. The Executive recommends that Council:
  - a) Approves the budget and proposals set out in this report including:
    1. Council Tax set out in the resolutions (at Appendix A1).
    2. The Council's Pay Policy (at Appendix A2) and publication on the Council's website from April.
    3. Maintain the fees and charges in Appendix A3 at current 2014/15 prices (other than those itemised in Appendix A4).
    4. Approve the proposed changes to Market Rents as in this report and in Appendix A4.
    5. Approve the four new growth budget items.
  - b) Approve the Capital Programme to 2017/18 (Appendices B1, B2, and B3).
  - c) Approve the Budget Investment Package Report (Appendix C and C1).
  - d) Approve the Treasury Management Strategy and its core principles set out in Appendix D.
  - e) Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained in the budget set out in the Statutory Report at Appendix E.
  - f) Approve the Council's Medium Term Financial Strategy (MTFS) (at Appendix F and F1).
  - g) Note Significant Budget Movements from the 2014/15 Budget (at Appendix G and G1).
  - i) Note Special Expenses and Parish Precepts (at Appendix H).
  - j) Note the Budget Consultation 2015/16 report (at Appendix I).

- k) Note the Assessing the Impact of Budget Proposals 2015/16 report (at Appendix J).

## **EXECUTIVE SUMMARY OF REPORT**

3. This is the third budget set by the Administration which aims to allocate resources within the approved budget to enable delivery of the Corporate Strategy and the priorities stated within it. The Executive has successfully delivered the 2014/15 budget and also contained spending. Significant budget efficiencies in the sum of £0.708m have been achieved in 2014/15 to balance the budget in 2015/16. This is sufficient to address the budget deficit position in 2015/16 and also present headroom in the budget of £0.095m to fund recurring investment in the base budget. Budget savings to provide headroom next year and reduce the budget deficit over the longer term have been implemented concurrently with delivering the New Investment Package.
4. The Executive presents a budget that:-

- **Freezes Council Tax for a third year in 2015/16.**
- **Addresses the previously forecasted budget deficit position for 2015/16 in advance of the year delivering £0.708m worth of budget savings.**
- **Contains headroom of £0.095m in the budget for 2014/15 to fund recurring new budget growth investment.**
- **Does not contain cuts to front line services.**
- **Delivers Revenue and Capital New Investments totalling £5.020m.**
- **Brings the total committed to New Investments since 2013/14 to £9.163m.**
- **Is consistent with the Corporate Priorities and aims to bring income into the Council.**
- **Seeks to bridge the budget gap by generating additional income.**
- **Is consistent with the Medium Term Financial Strategy.**
- **Minimises the Council's borrowing commitment to fund the Capital Programme.**

6. The budgetary resources allocated are consistent with, the following key priorities in the Corporate Strategy:
- **INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.**
  - **CLEAN, SAFE AND HEALTHY COMMUNITIES.**
  - **AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.**
  - **A STRONG LOCAL ECONOMY.**

7. Council Tax Yield 2015/16

**It is proposed to freeze Council Tax in 2015/16 for a third year.  
Council Tax will remain at the same level as it was in  
2012/13, 2013/14 and 2014/15.**

8. The Administration is able to freeze Council Tax for a third year so Council Tax will remain at the same level that it was in 2013/14 and 2014/15. This enables the Council to take advantage of the grant that is available. This freeze has been facilitated by the successful implementation of the budget efficiency programme in advance of the financial year. Budget savings have been secured and headroom created to fund budget investment in 2015/16 on a recurring basis. This action has been taken to redress the significant budget deficit position and growing risk of core funding volatility.
9. For freezing Council Tax in 2015/16 the Council will receive a freezing grant of £65k in for one year only in 2015/16 at which point all Council Tax freezing grants are due to cease. It is evident from the budget forecasts contained in the Medium Term Financial Strategy (MTFS) that the Council will be presented with a challenging financial outlook over the longer term. The Executive is mindful that a sustainable approach needs to be taken in order to deliver a Medium Term Financial Strategy (MTFS) that achieves the optimum beneficial state of delivering ambitious investment and regeneration within the local area as well as addressing the current forecasted budget deficit.
10. Budget consultation has been undertaken and the results rank the 10 items below in the following priority order:-

	<b>Priority</b>
1st	Working with all other public service providers in the borough to make sure residents are getting the best deal possible
2nd	Supporting businesses and improving the local economy
3rd	Providing services for young and older people
4th	Improving the town centre
5th	Supporting safer communities
6th	Putting on more events for families
7th	Improvements to play areas in the borough
8th	Supporting residents who are struggling financially
9th	Involving residents and improving local areas
10th	Supporting healthy communities

11. The New Investment Package, which totalled £2.824m in 2013/14 and £1.319m last year, continues and provides a further £5.020m for Investment in 2015/16 making the three year programme total £9.163m. This includes projects approved in previous budget rounds that are spread over more than one year.
12. Headroom of £0.95m has been achieved in 2015/16. This provides an opportunity to build proposed recurring new growth into the budget to provide a budgetary provision for the ongoing recurring running costs of the proposed Youth Zone (Youth Zone is included in the New Development Package for 2015/16) and also a new Dedicated Team to Tackle Dog Fouling.
13. Two other new growth items are proposed which will be self-financing and therefore cost neutral, being:-
  - To increase the resources dedicated to Astley Hall and the Park. The cost of which will be wholly funded from an increase in the amount of income generated at Astley.
  - Increase the Sports Development Team resources to provide sports development activities to schools, this scheme will also recover at least all of its costs and be self-financing from income generated from local schools.
14. Following consultation with Market traders it is proposed that the charges for Market Traders are revised as set out in Appendix A4. This will generate circa. £20,000 for the Council as a contribution towards bridging the budget gap whilst maintaining front line services and freezing Council Tax at its current level.
15. The Medium Term Financial Strategy for years 2015/16 to 2017/18 seeks to uplift the amount held in the General Fund Balance to improve the financial resilience of the Council's budget.
16. The proposed New Investment package over the three years has delivered projects across the priorities in the Corporate Strategy consistent with the results of the consultation exercise.

### **Three Year Investment Programme 2013/14 to 2015/16**

<b>Priority</b>	<b>Total £m</b>
A strong local economy	3.277
Clean, safe and healthy communities	1.997
Involve residents in improving their local area and equality access for all	1.733
An ambitious Council that does more to meet the needs of residents and the local area	2.156
<b>TOTAL THREE YEAR INVESTMENT PROGRAMME</b>	<b>9.163</b>

17. Budget management performance in 2014/15 has been strong. As a result the budget gap for 2015/16 has already been closed. The main contributing transaction being the financial management of Market Walk financing and the review of major contracts with the in-sourcing of the Property Services function. Together with restructuring budget efficiencies and a base budget review this significantly improves the budget's financial resilience in response to increasing budgetary pressures caused mainly by the erosion of core funding and also the increased exposure to the risk.

18. The budget forecasts in the MTFs indicate that the Council's budget deficit will be in the region of £2.595m by 2017/18. It is important to note, however, these estimates are based on a number of assumptions that may be subject to review and change. The key assumptions that are potentially of high value, and therefore impact, are listed below:

19. **KEY BUDGET ASSUMPTIONS**

Assumption	2015/16	2016/17	2017/18
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 (year 2 of grant)	£0.066m	-	-
Grant for Freezing Council Tax in 2015/16 (grant available for only 1 year)	£0.065m	-	-
Reduction in Grant Settlement (RSG)	£0.883m	£0.350m	£0.350m
Profiled reduction in Grant Settlement	(15.5%)	(7.3%)	(7.9%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.336m	£2.986m
Net Financing of Market Walk – Original Estimate - Full External Borrowing option	£1.011m	£1.011m	£1.011m
Updated Net Financing – assumption £5.0m external borrowing as at 01/04/05	£0.760m	£0.690m	£0.660m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.832m	£0.956m	£1.076m
Supporting People Income from LCC	£0.147m	£0.138m	£0.130m
Pay Award	2.2%	1.0%	1.0%

20. The budget papers also contain the 2015/16 Pay Policy for its annual approval and publication on the website.
21. The Capital Programme is contained in Appendices B1 to B3. The Capital Programme includes an estimated budget provision for the Chorley East Health Centre which has a cost neutral impact on the budget.
22. Moving on from the immediate future and the budget proposals for 2015/16, the budget also presents a Medium Term Financial Strategy that aims to balance the budget, secure financial resilience and mitigate risk over the longer term. With regard to balancing the budget over the medium term the Council has a number of options that can be considered. Appendix F1 details the amount of New Homes Bonus (NHB) that the Council can expect to receive by 2017/18 which totals £2.586m. As the estimated budget deficit in that year is forecasted to reach £2.595m an option the Council could consider is to use NHB receipts to balance the budget. Alternatively should this not be a feasible option due to the longevity of NHB receipts the Councils could also look to make changes to its level of net expenditure.

23. This could be approached in a way that seeks to protect the provision of front line services in the borough the MTFs focusses on the consideration of bringing additional income into the Council through a series of options that seek to maximise income generation opportunities in addition to further cost efficiency savings.

<b>Confidential report</b> Please bold as appropriate	Yes	No
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<b>Key Decision?</b> Please bold as appropriate	Yes	No
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**REASONS FOR RECOMMENDATION(S)**  
**(If the recommendations are accepted)**

24. To ensure that the Council complies with the requirement to set the budget for 2015/16.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

25. None.

**CORPORATE PRIORITIES**

26. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

**BACKGROUND**

27. The Executive published the outline budget and summary MTFs at the Executive Cabinet meeting on 22<sup>nd</sup> January 2015 setting out its intention for spending and investment in the borough for the forthcoming financial year 2015/16. These papers expand upon that report and set out in more detail for Council the Executive's budget proposals for 2015/16.

**BUDGET CONSULTATION**

28. The outline budget proposals were agreed by members in a report to Executive Cabinet on 22<sup>nd</sup> January 2015. Public consultation was carried out on the draft budget investment proposals for 2015/16. For the purpose of the consultation the investment areas were grouped into 10 categories. Respondents were also asked for any additional suggestions about where the Council should be investing its money but aren't.

29. The 2015/16 consultation period ran from 26/01/15 to 15/02/15 and received 607 responses which is a significantly higher than in recent years. The feedback from the consultation is shown at Appendix I and is supportive of the budget proposals adopted by the Executive.
30. Consultation was carried out from 26<sup>th</sup> January to the 15<sup>th</sup> February and received 607 responses. Consultation was primarily carried out through an on line survey, however paper copies of the survey were available on request. It was widely promoted through the Council's website, local press, social media and invitations to take part were also emailed to a number of groups including parish council clerks, the VCF sector network, the equality forum and myaccount holders.
31. The results of the consultation ranked the ten items below in the following priority order:-

1st	Working with all other public service providers in the borough to make sure residents are getting the best deal possible
2nd	Supporting businesses and improving the local economy
3rd	Providing services for young and older people
4th	Improving the town centre
5th	Supporting safer communities
6th	Putting on more events for families
7th	Improvements to play areas in the borough
8th	Supporting residents who are struggling financially
9th	Involving residents and improving local areas
10th	Supporting healthy communities

30. The results show a good spread of support for each of the investment areas with working with all other public service providers in the borough to make sure residents are getting the best deal possible coming out as the top priority for Chorley residents. This is a new priority area, which was included in the consultation due to the proposals on the public service reform board and the proposal to set aside money from the NHB for a possible unitary poll.
31. Supporting businesses and improving the local economy also remains a high priority falling one place in the rankings from last year. A number of the budget growth proposal will support delivery of this priority area including 'progress key employment sites', 'increase visitor numbers' and 'support the expansion of local businesses'.
32. These results are also reflected in the continued New Investment Programme totalling £9.163m since 2013/14 as summarised in the table below. The proposed New Investment Package for 2015/16 is explained further in a later section within this report.

### Three Year Investment Programme 2013/14 to 2015/16

<b>Priority</b>	<b>Total £m</b>
A strong local economy	3.277
Clean, safe and healthy communities	1.997
Involve residents in improving their local area and equality access for all	1.733
An ambitious Council that does more to meet the needs of residents and the local area	2.156
<b>TOTAL THREE YEAR INVESTMENT PROGRAMME</b>	<b>9.163</b>

### **BUDGET PROPOSALS**

In summary the budget proposals below include:

- **Freezing Council Tax for a third year in 2015/16**
- **Budget performance during 2014/15 to achieve headroom in the budget for 2015/16 prior to the financial year**
- **Four New Budget Growth Investments proposals of £0.095m to be built into the base budget to be funded from 2015/16 headroom**
- **A third year of proposed New Investments supporting the corporate priorities**
- **Minimising borrowing commitment within the Capital Programme**
- **Proposals to increase the income generated from Market Rents and other associated income**
- **Enhance the financial resilience of the Council's budget by increasing the level of General Fund Balances**

33. The budget proposed in this report includes the freezing of Council Tax in 2015/16 for the third year. This proposal entitles the authority to claim the Council Tax Freeze grant made available from Central Government. This will be the third consecutive year that the Council has frozen its Council Tax. The grant received will equate to a 1% increase in total Council Tax income of £65,000 paid for one year in 2015/16. Acceptance of this funding does not prevent local authorities from approving council tax increases for future years after 2015/16 although the budget forecast over the medium term set out in Appendix F1 is currently based on the assumption that there will be no Council Tax increases.



34. The forecasted budget in Appendix F1 in the Medium Term Financial Strategy (MTFS) contains the current budget that has been updated to take account of changes to the net cost of existing services. For example, inflation, changes in volumetrics and policy changes made by the Council during the current year as part of the in-year budget management process. Also set out in the Council's MTFS Appendix F1 is an analysis of the year on year changes over the next financial planning period 2015/16 to 2017/18.

35. **Budget Management Performance**

36. A key influencing factor on the forthcoming budget is the effective management of the budget in the pre-ceding financial year. The table below demonstrates where recurring budgetary changes have occurred over the main budget categories reducing the total Directorate Budgets from £14.1m (2014/15) to £13.2m (2015/16), more details are provided in Appendices G1 and G2. The table demonstrates the extent to which increasing inflationary cost pressures impact on the budget and budget efficiencies required to contain them.

Budget Category	Recurring Items £000	Movement £000	Caused by:-
<b>Total Directorate Budgets 2014/15 incl. NHB temporary funding</b>		<b>14,122</b>	
Employees	154		Impact of Pay award and incremental increases
Pension Costs	137		Increase in Pension Fund Deficit Recovery and impact of pay award
Contracts	155		Inflationary increases
Housing Benefits	(124)		Reduction in net cost – housing payment payments and overpayments recovered
Income (Government Grants)	80		Reduction in Government Grants for Housing Benefit and Council Tax Support Admin.
Income (Other Grants/Contributions)	70		Reduction in Other Grants and Contributions
Income Generation	(137)		Additional Income generated e.g. Markets fees and charges, Market Street Shop rents
Efficiency Savings	(207)		Savings achieved on Property Services contract and the Base Budget Review
<b>Sub Total – Recurring Items</b>		<b>128</b>	
One year growth items		(690)	Remove temporary increase to fund New Investment Package in 2014/15
Market Walk 2015/16 Budget Efficiencies		(400)	Ongoing proactive budget management of the associated costs of Market Walk
One year Savings Items 2014/15		42	
<b>Total Directorate Budgets 2015/16</b>		<b>13,202</b>	

37. The budget for 2014/15 was balanced in advance of the year and this has also been achieved for 2015/16. This means that there is no call on the working balances which are therefore protected. As well as balancing the budget headroom of £0.095m has been provided to fund new recurring growth.
38. In addition to the New Investment Packages that have been funded from NHB and therefore on a short term basis, four new growth items are proposed that will enhance the existing service provision of the Council on a permanent basis. This provides a budgetary provision for the ongoing recurring running costs of the proposed Youth Zone in the New Investment Capital Programme plus funding for a Dedicated Team to tackle Dog Fouling.
39. Two other new growth items are proposed, those being:-
- To increase the resources dedicated to Astley Hall and the Park. The cost of which will be wholly funded from an increase in the amount of income generated at Astley.
  - Increase the Sports Development Team resources to provide sports development activities to schools, this scheme will also recover at least all of its costs and be self-financing from income generated from local schools.
40. The budget management decisions made, and their impact on the budget deficit, are listed in the MTFs in Appendix F1. The budget savings made are on a recurring basis and total £0.708m are as follows:-
- Market Walk £0.400m – The purchase of Market Walk has already made a significant contribution to closing the budget gap. Further ongoing proactive budget management of the cost of Market Walk provides the opportunity to make budgetary savings on an annual basis selecting the most cost efficient option available with regard to the financing of the project. The overall net income budget for Market Walk also continues to include a provision of £0.050m that is made into an equalisation account to mitigate against the financial risk of temporary void units. The project not only serves to strengthen the financial resilience of the Council it also brings additional income into the borough.
  - Review of Contracts £0.200m – The review into the property services function resulted in the service being brought back in-house. Savings have also been secured on the renewal of the Car Parking Enforcement contract as well as the Graffiti removal and Insurance Portfolio contracts
  - Increases in Income £0.046m – Following consultation with Market traders income has been increases as a result of increased and new fees and charges to be applied to Market Rents as per Appendix A4 (£0.020m). In addition to income from Market Street shops plus some volumetric increases experienced by some other income streams.
  - Base budget review £0.045m – An in year challenge process for non-employee costs the detail of which is set out in Appendix G.
  - Transformation Strategy Savings £0.017m – The full year effect of restructuring approved in Health, Environment and Neighbourhoods, Transactional Services as previously approved.
41. **Budget Forecast 2015/16 to 2017/18**
42. Members will be aware that the outlook for public sector finances is uncertain with regard to the scale of core funding cuts possibly leading to the total erosion of Revenue Support Grant (RSG). More significant, however, is the fact that core funding streams will continue to be subject to risk exposure caused by annual fluctuations. This has been brought about over time by the transition from a system of formulae grant set on a quadrennial basis to an annual announcement that has been fundamentally changed.

43. New Homes Bonus (NHB) and Business Rates Retention (BRR) are especially vulnerable to large scale annual variations and volatility both in terms of their level of funding realised and also to changes made to their technical frameworks by Central Government.
44. Despite this uncertainty budget forecasting remains an integral component of the budget setting process to strengthen financial resilience through effective budgetary planning. The MTF5 therefore has been compiled based on some assumptions with the key assumptions listed below:
45. **KEY BUDGET ASSUMPTIONS**
46. The table below shows the key assumptions made in forecasting forward the Council's financial position. Please note these do not determine what might actually happen in future years, particularly with regard to Council Tax levels as these are determined annually based upon the latest up to date information.
47. In recent years the budget assumptions list has been expanded to reflect that the total overall funding regime change is shifting to a compilation of more uncertain and variable processes and influencing factors. The scale of risk and its potential impact on the budget is evident from some of the further information and key messages below.

<b>Assumption</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 (year 2 of grant)	£0.066m	-	-
Grant for Freezing Council Tax in 2015/16 (grant available for only 1 year)	£0.065m	-	-
Reduction in Grant Settlement (RSG)	£0.883m	£0.350m	£0.350m
Profiled reduction in Grant Settlement	(15.5%)	(7.3%)	(7.9%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.336m	£2.986m
Market Walk Net Financing – assumption £5.0m external borrowing as at 01/04/05	£0.760m	£0.690m	£0.660m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.832m	£0.956m	£1.076m
Supporting People Income from LCC	£0.147m	£0.138m	£0.130m
Pay Award	2.2%	1.0%	1.0%

#### 48. Council Tax and Council Tax Freeze Grant

The Executive's proposed budget assumes that Council Tax will not be increased. Council Tax Freeze Grant is for a limited period as a separate grant in addition to RSG. After its allocated term it is then rolled up into RSG and absorbed into the grant reduction process. In essence at this point it makes no contribution to reducing the budget deficit and its financial benefit ceases.

#### 49. Local Government Finance Settlement

No additional reductions have been formally announced after 2015/16, however, the Chancellor of the Exchequer has announced that from public sector spending will still need to be reduced and the austerity measures will continue for some time to come. Therefore the assumed trend has been acknowledged with an estimated provisional reduction in RSG of £0.350m in 2016/17 and 2017/18.

The next Comprehensive Spending Review (CSR) is due to take place and is expected to contain the extended austerity measures and core funding cuts for local authorities from 2016/17 onwards. How this will be profiled across public sectors remains unknown. The continued erosion of RSG for this sustained period of time poses the question about whether it will eventually be withdrawn in its entirety in future years. The possible transition to its disappearance as a funding source is mitigated against by the Council including in its financial strategy consideration of alternative income generation schemes.

#### 50. New Homes Bonus

No NHB due to be received post 2012/13 has been built into the base budget as recurring funding as the grant is awarded for a period of 6 years only and subsequently temporary in nature. The funding is not ring-fenced and therefore can be used for wider service provision. The longevity of this grant as a core funding stream is also a matter for debate. Therefore this treatment enables the Council to improve budget resilience and flexibility to respond to future annual uncertainty. Future years will be dependent upon the level of housing development so, assuming the base budget is in balance, this will be surplus and available to fund investments that can be ceased or scaled down simultaneously as income reduces or is stopped. This approach is consistent with the key financial objectives of the Councils MTFS to provide financial resilience and sustainability over the medium to long term.

#### 51. Net Financing

The budget savings achieved by the purchase of Market Walk are shown after the financing costs have been accounted for. Currently the budget contains the financing costs of £1.011m on a recurring basis which equates to the cost of all external borrowing being used to finance the purchase. This budget is refreshed and adjusted each year as part of the budget setting process to take account of the most cost effective financing options. There are other options available which include borrowing all funds from internal cash balances and also the option to use a mixture of both. As borrowing shifts from external borrowing to internal borrowing the cost reduces. The factors that determine the optimum mix are: the amounts of cash balances available; the loss of investment income on those balances, and the direction of travel in respect of interest rates for external borrowing.

The budget assumption above reflects a status of all borrowing being externally provided, however, any proportionate or total shift to internal borrowing will reduce this cost and provide further in year budgetary savings. The on-going study of the optimum time to transfer internal borrowing to external borrowing has indicated that this is a good time to implement that shift. Therefore the proposed budget includes the financial implication of transferring £5.0m of internal borrowing to external. The implication of this transition is a short term temporary cost of £0.100m, however it should be noted that this will transfer to a net budget savings in the medium term as interest is earned on the increased levels of cash available as a result.

Within the Capital Programme prudential borrowing is minimised with long term borrowing being applied to only the Croston Flood Scheme and the cost neutral Chorley East Health Centre project.

## 52. Business Rates Retention (BRR) and Business Rates Retail Relief

As an incentive to local authorities any additional income generated as a result of net growth in business rates will be retained according to the proportionate shares of the precepting authorities (with the exception of Police and Crime Commissioners). BRR was implemented on 1<sup>st</sup> April 2013, however due to the multiple year impact of each business rates collection year (3 year spread), the financial implications of the new scheme are still being embedded into the financial planning regime. Local authorities are now allowed to retain a proportion of any additional income generated from growing the tax base for businesses in their local area.

Although this new scheme means that some of the financial benefit of net tax base growth is realised by the authority, it also results in some of the risks of collection also transferring to local authorities. In addition to its 3 year financial year spread it is important to note that its volatility is also caused by a number of externally determined variables that each impact directly on the level of funding actually received in year. Although we continue to collect the business rates for this area (circa £36m), the net movement in the business rate annual rate poundage is determined by central Government; losses on collection is impacted upon by the national economic environment, and, reductions in Rateable Value due to appeals are determined by, and the responsibility of, the Valuation Office Agency (VOA).

It is therefore the strategy that any additional funds that are forthcoming from BRR are not built into the base budget immediately, in essence, this will mean building any additional income into the base in the second year of receipt rather than the first year. This is a similar treatment to that currently applied to NHB albeit for a temporary period. That is, the base budget is not reliant on its receipt until after it has been achieved. Although this treatment is similar to NHB receipts, it is for different reasons. The question mark over NHB as a secure funding stream is its longevity within the total core funding regime. The critical issue with BRR is not its permanency but rather its sensitivity to large scale movements and volatility.

An feature of this new regime is that the Collection fund surplus or deficit, dependent on collection rates in year, is also shared out between the Council and preceptors. The collection fund deficit for 2015/16 is £ £0.358m for BRR. Due to its volatility, the financial impact of appeals and the fact that payments from the collection fund out to the Council and preceptors are fixed on estimates that cannot be changed in year, a pessimistic view has been taken with regard to whether the collection fund will be in deficit or surplus in future years. Therefore a deficit position on the collection fund has been incorporated into the budget forecasts in years £2016/17 and 2017/18.

53. Supporting People Income from LCC

Whilst the Lancashire County Council has seen significant reductions in its financing and is making significant changes to many budget heads they have been able to give us some certainty about funding over the next year or so and the forecasts reflect the anticipated income levels based upon those discussions.

54. **OTHER KEY BUDGET CONTENT**

55. Headroom and New Growth

As above, the headroom created in the budget and the pursuit of additional income streams has enabled four new growth items to be accommodated in the budget despite the budget challenges facing the Council's budget. New Growth adds to an additional contribution to be made to the General Fund Balance in 2015/16 to increase the financial resilience of the Council in future years. The budget growth items are summaries as:

- Day to day running expenses for the proposed Youth Zone.
- A Dedicated Team to Tackle Dog Fouling.
- Sport Development Team working with Schools.
- Additional dedicated resources at Astley Hall and Park.

56. Enhanced Medium Term Financial Resilience

The budget proposal incorporate a number of features including balanced budget with headroom, permanent new growth, a new investment package of over £5.0m whilst also freezing Council Tax. The budget proposals also make a provision to increase the level of funds held in the General Fund Balance. The MTFS at Appendix F explains that the Council will look to increasing the overall level of General Fund Balance to £3.0m over the 3 year lifespan of the strategy. In 2015/16 a provision of £0.350m has been set aside to achieve this.

57. Council Tax Support Scheme

Another fundamental change made to core funding in April 2013 was the Council Tax Support Scheme which replaced Council Tax Benefit with a localised Council Tax Support charge in response to reductions in government grant subsidy. The Council scheme, introduced in 2013 means that some Council Tax payers are required to pay a level of Council Tax for the first time or at an increased amount. The Council is required to renew the Council Tax Support Scheme annually and this review took place in January 2015. The subsequent financial effect on Parish and Town councils of £38k has also been included in the Council's budget for 2015/16, however, this is reviewed on an annual basis.

58. Cost Share Agreement with Lancashire County Council

Chorley Council is currently in a 'Cost Share' arrangement with Lancashire County Council whereby the county pay over to district councils a cost sharing payment via the Lancashire Waste Partnership. This represents compensatory payments for loss of income from when the previous recycling credits system was revised. The arrangement is due to expire in March 2018 and therefore if no replacement agreement is available, this income stream will be withdrawn as at that date. The impact will therefore fall in 2018/19, and although this timeframe is outside of this MTFS, it should be borne in mind that the authority's income may well reduce by a further £0.933m after 2017/18 in addition to cuts in core funding.

## 59. Pay Policy 2014/15

The budget has also been constructed in accordance with the Council's Pay Policy. The Localism Act requires that the Pay Policy is approved formally by the Council and published on the website in April 2015/16. The updated policy is attached at Appendix A2. The pay policy has also been updated to reflect the 2.2 % national pay award effective from 1<sup>st</sup> January 2015.

## AN OPPORTUNITY FOR INVESTMENT IN CORPORATE PRIORITIES

60. The Corporate Strategy retains the vision, priorities and long term outcomes agreed through comprehensive consultation. The projects have been identified and chosen for their ability to create a significant impact in each of the priority areas, and across all areas of the borough. The ambitious sets of projects have built on the work done over the last two years and to address big issues such as the sustainability of public services.
61. Investment in priority areas in 2014/15 delivered a number of schemes for both residents and businesses by delivering tangible improvements across the borough, for example:
- Visible improvements have been delivered in the town centre and across the borough with improvements to local neighbourhood areas and parks and open spaces. For example a water fountain has been installed and a wildflower garden has been created in Astley Park, a new exhibition area has been developed in the Astley Farmhouse and a new skate park has been opened in Jubilee recreation ground.
  - Increased employment opportunities have been created through the delivery of the Chorley Works unemployment project and inward investment campaign which also resulted in companies relocating to the borough such as ServiceSport.
  - The Chorley Time Credits programme has helped ensure that residents from all areas of Chorley are taking an active role in their communities. There are now over 79 organisations earning and spending time credits, which is a 34% increase from last year and over 12,000 hours have been given to volunteering and community development in the last year, an increase of 87%.
  - Initiatives to overcome social isolation, such as the meals on wheels service, the delivery of support for those most affected by the welfare reforms and the availability of short term food provision for individuals in crisis situations have increased the support available for the most vulnerable people and families within the borough.
  - Numerous events were held throughout the year, such as the Picnic in the park (8,000 visitors), Animals in the park (1,000 visitors), Theatre in the park (600 visitors), Chorley Live (200 live performances over 2 nights across 25 venues, attended by over 5,000 people) and the Christmas light switch on (6,000 visitors). These events attracted thousands of people and supported the local economy.
  - The Council has had continued success in North West in Bloom achieving a gold award; plus a special award for the best feature in a public place for the wicker band of brother in tribute to the Chorley Pals who fought in the first World War. We also achieved a silver award in the small city category in the Britain in Bloom competition as well as a special 50<sup>th</sup> anniversary award for pollinator friendly planting.
  - A new mediation service to support anti-social behaviour resolution has been procured.
  - The cleaner Chorley campaign has raised awareness of fly tipping, dog fouling and littering.

62. Both the Revenue and Capital budgets contain significant new and continuous investments. The new budget investment package continues to focus on the corporate strategy priorities and is also consistent with the findings of the budget consultation process with the local community where supporting businesses and improving the local economy and supporting healthier communities were identified as the top scoring priorities (see Appendix I). The 2014/15 programme below is summarised further in Appendix C and also advanced enough in the planning stage to be set out in project mandates contained in Appendix C1.
63. The total investment programme since 2013/14 now totals £9.163m and is summarised below. The new investments for approval in 2015/16 totals £4.422m which will be added to the previously approved projects from previous years in the sum of £0.598m. The overall total new investment package for 2015/16 will therefore amount to £5.020m as set out below:

Priority	New in 2013/14 £m	New in 2014/15 £m	Year 2 2013/14 Budget £m	New in 2015/16 £m	Year 3 2013/14 Budget £m	Year 2 2014/15 Budget £m	Total £m
<b>Involve residents in improving their local area and equality access for all – TOTAL £1.733m</b>							
Revenue investment	0.250	0.138	0.085	0.440	0.085		<b>0.998</b>
Capital investment	0.135			0.600			<b>0.735</b>
<b>Clean, safe and healthy communities – TOTAL £1.997m</b>							
Revenue investment	0.284	0.120	0.100	0.051	0.100	0.045	<b>0.700</b>
Capital investment	0.060	0.424		0.595		0.218	<b>1.297</b>
<b>An ambitious Council that does more to meet the needs of residents and the local area – TOTAL £2.156m</b>							
Revenue investment	0.160	0.055	0.050	0.141	0.050		<b>0.456</b>
Capital investment	0.280			1.420			<b>1.700</b>
<b>A strong local economy – TOTAL £3.277m</b>							
Revenue investment	0.655	0.347		0.175		0.100	<b>1.277</b>
Capital investment	1.000			1.000			<b>2.000</b>
<b>TOTAL INVESTMENT PROGRAMME - £9.163m</b>	<b>2.824</b>	<b>1.084</b>	<b>0.235</b>	<b>4.422</b>	<b>0.235</b>	<b>0.363</b>	<b>9.163</b>



## New Investment Package and NHB

64. The 2015/16 New Development Package listed below adds to the continuing projects set out in the last two years' budget proposal some of which is delivered in more than one year. As per Appendix F1, total NHB monies available amount to £2.335m, this available pot is being invested as follows:-

<b>Use of NHB 2015/16</b>	<b>£m</b>
Revenue New Investment 2013/14 - 3 <sup>rd</sup> year delivery	0.235
Revenue New Investment 2014/15 - 2 <sup>nd</sup> year delivery	0.145
Revenue New Investment 2015/16	0.807
Capital New Investment 2015/16	0.458
Increase in General Balances	0.293
Set Aside for Unitary Status Local Poll	0.100
<b>Sub Total New Investment Delivery 2015/16 Budget Provision</b>	<b>2.038</b>
PCSOs	0.297
<b>TOTAL NHB AVAILABLE 2015/16</b>	<b>2.335</b>

65. The proposed package also includes new 2015/16 Capital Programme investments as below:

<b>New Proposed Investment Areas (Capital)</b>	<b>2015/16 £</b>
Buckshaw Community Centre	600,000
Delivery of CCTV provision	250,000
Bengal Depot Site	120,000
Yarrow Valley Car Park	225,000
Deliver improvements to Market Street	1,000,000
Youth Zone	1,000,000
Land assembly	250,000
Recreational pitch strategy	170,000
<b>Sub – Total Capital Investment</b>	<b>3,615,000</b>
<b>Approved Investment Areas (Capital)</b>	<b>2015/16 £</b>
Astley Park Hall and Park Developments	218,000
<b>Total Capital Investment</b>	<b>3,833,000</b>

66. The New Investment Packages in the proposed budget for 2015/16 are listed below together with the 2015/16 projects approved in previous years:-

<b>New Investment Areas (Revenue)</b>	<b>2015/16 £</b>
Digital access and inclusion	50,000
Development and delivery of community action plans	200,000
Chorley Flower Show	50,000
North West in Bloom	45,000
Town and Country Festival	10,000
Delivery of neighbourhood priorities	50,000
Support the food bank	15,000
Supporting communities to access grant funding	20,000
16/17 Young persons' drop in centre	19,000
Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness	24,000
Free swimming	8,000
Progress key employment sites	50,000
Increase visitor numbers to Chorley	35,000
Support the expansion of local businesses	40,000
Investigate further opportunities to expand Chorley Markets	30,000
Chorley Council Employment Support Fund with Runshaw College	20,000
Additional events at Astley Hall/Park	14,000
Deliver the Chorley Public Service Reform Board work	15,000
Campaigns and events	65,000
Employee health scheme	20,000
Provide a mediation service for Anti-Social Behaviour (ASB) case resolution	7,000
Disabled and dementia online venue access guides	20,000
<b>Sub - Total Revenue Investment</b>	<b>807,000</b>
<b>Approved Investment Areas (Revenue)</b>	<b>2015/16 £</b>
Neighbourhood working - Building capacity in local communities	70,000
Support to VCFS network	15,000
Chorley Credit Union	50,000
Play Area Improvements	100,000
British Cycling	45,000
Town Centre and Steeley Lane pilot action plans	100,000
<b>Total Revenue Investment</b>	<b>1,187,000</b>

## 67. Capital Financing

68. The Capital Programme is set out in Appendices B1 and B2. The schemes will be financed as per the following summary:-

	<b>£000</b>
New Homes Bonus to 2018/19	707
Revenue Contributions – Earmarked Reserve	1,683
External Contributions	600
Capital Receipts	625
<b>Total Capital Financing</b>	<b>3,615</b>

69. In addition to the 2015/16 New Investment Package the budget proposals also include other budget items that are to be funded from New Homes Bonus in 2015/16. These are:
- an uplift in General Balances to increase the financial resilience of the Council's budget of £0.293m which is the main contribution to the overall uplift of £0.350m as per the MTFS at Appendix F.
  - a set aside of funds to meet the cost of a Unitary Status Local Poll in the sum of £0.100m (noting that progressing Unitary Status is subject to approval by Full Council).

## CAPITAL PROGRAMME

70. The Capital Programme is set out in detail in Appendix B1 covering the proposed capital schemes to support the Corporate Strategy together with the planned financing arrangements.
71. Section B of the Budget Monitoring Report to Executive Cabinet on 20<sup>th</sup> November 2014 reported the estimate of expenditure for 2014/15 and the forward projections to 2016/17 based on information up to 30<sup>th</sup> September 2014.
72. There are some amendments in respect of the forecast of expenditure for 2014/15 and additions to the budget in future years.
73. The estimates used to produce the new three year capital programme rely on the most up to date forecast of outturn for 2014/15. As of 31<sup>st</sup> January 2015 estimated spend on capital projects in 2014/15 is £5.368m. The breakdown by scheme of 2014/15 forecasted expenditure and the proposed new capital programme 2015/16 to 2017/18 is contained in Appendix B1.
74. The asset improvement budget has been brought forward from 2015/16 and re-profiled into 2014/15 in the sum of £100k to enable improvement works at Cotswold House to be completed in the same tranche. This approach is more cost effective than a two phased approach on the same site.
75. The recycling receptacle budget has been brought forward by £45k to reflect an increase in demand during 2014/15.

76. The budget for the Chorley East Health Centre is to be re-profiled to reflect the latest timetable of delivery. The estimated cost is £7.036m and this will be split with approximately one quarter costs in 2015/16, half the cost in 2016/17 and one quarter cost in 2017/18. This is an increase in the cost budget previously reported of £386k although it should be noted that the scheme will be cost neutral to the Council as all costs will be recouped. Progress is being made in relation to the health centre development. At present the CCG is out to consultation in respect of the scheme. There is still further work to do with regard to the agreeing the structure of any deal between ourselves as financiers and the health sector. The final agreement will also be subject to change pending the outcome of funding bids that are currently being considered by NHS England. Therefore the budget contains the maximum total borrowing costs which will of course be cost neutral in revenue terms. Once further progress is made about the structure of the final financing arrangements they will be brought back to members for approval.
77. The purchase of the Leigh Arms public House as the site for the Chorley Youth Zone has taken place in 2014-15 however demolition will likely take place during 2015-16 and the element of budget relating to this (£118k) will be re-phased accordingly.
78. The 115k set aside in 2014/15 as the Council's contribution to the changes to the site at Bengal Street following the lease to Recycling Lives has been re-phased to 2015/16 following delays with signing the lease.
79. A small element of the Cotswold House Improvement budget will be re-phased into 2015/16 to cover retention payments on the work which will become payable a period after completion.
80. The work to extend Clayton Brook Village Hall will now take place after the forthcoming elections as it is used as a polling station, as such the budget will be re-phased into 2015/16.
81. Works to be funded from developer contributions on both the Buckshaw Village rail station and the Puffin crossing at Collingwood will now be carried out during 2015/16.
82. The programme of works in Astley Hall and Park is ongoing with good progress made to date; an element of the budget already agreed will be carried forward for continued use in completing the scheduled programme of works.
83. The new capital investment proposals are outlined in the table above within the new investment section of this report and in Appendix C.
84. The proposals contained in this report would create a capital programme as follows:-
- 2015/16 – £9.214m
  - 2016/17 – £3.991m
  - 2016/17 – £2.232m
  - **Total – £15.437m**
85. The Capital Financing is set out below, anticipated long term borrowing for the period 2015/16 to 2017/18 totals £8.136m, of which £1.100m is in respect of the Croston Flood Prevention Scheme and £7.036m is the Chorley East Health Centre. The only other borrowing is short term and will be repaid by setting aside NHB. The profile of Capital Financing is shown in the table below:

Assumption	2015/16 £m	2016/17 £m	2017/18 £m	Total £m	Note
Prudential Borrowing	1.100			1.100	
Prudential Borrowing – To be repaid by NHB set aside	1.220	0.051	0.054	1.325	
Prudential Borrowing – proposed Health Centre scheme	1.759	3.518	1.759	7.036	(a)
Revenue Funding	1.881	0.083	0.083	2.047	
Developers & Other Contributions	1.374			1.374	(b)
New Homes Bonus	0.736	0.339	0.336	1.411	
Capital Receipts	0.649			0.649	
Government Grants	0.495			0.495	(c)
<b>Total</b>	<b>9.214</b>	<b>3.991</b>	<b>2.232</b>	<b>15.437</b>	

(a) This is cost neutral on the budget.

(b) Additional projects to be funded with developer contributions will be added to the programme when the contributions are received.

(c) Actual Grant allocations could vary from these estimates.

86. With regard to Chorley East Health Centre the proposal remains that a budgeted scheme is included in the 2015/16 to 2017/18 programme. This will assist the Lancashire Care NHS Foundation Trust with the development of the Chorley East Health Centre on Friday Street. The estimated cost is £7.036m.

87. The Council could receive further section 106 contributions. A schedule of the balance of section 106 funding carried forward into 2015/16 and proposed use going forward is attached in Appendix B3.

## **FUTURE YEARS PROPOSALS TO ACHIEVE SUSTAINABLE AND RECURRING BUDGET RESILIENCE**

88. Contained in the Medium Term Financial Strategy (Appendix F) is a summary of the forecasted budgetary position facing the Council up to and including 2017/18. The MTFS forecast, based on the assumptions described above, projects that the budget deficit position may reach £2.595m by 2017/18. This estimate is based on the continuation of current service levels being delivered and is made pending the announcement of Central Government's next Comprehensive Spending Review.

89. The key message is that the Council remains in a period of continued uncertainty and heightened exposure to risk due to the significant year to year fluctuations made possible by the current, and relatively new, core funding regimes. The strategy aims to address the budget gap taking a long term and sustainable approach whilst at the same time improving financial resilience including increasing the General Fund Balance to £3.0m over the 3 year MTFS period.

90. Despite the degree of estimating within the budget and their possible movement over time, the Council must plan on some basis. This latest plan demonstrates that further significant savings will be needed over the medium term to balance the budget. The financial strategy sets out the areas where the Council may want to concentrate its efforts in terms of achieving the savings required.
91. At a summary level there are options available for the Council to consider with regard to balancing the budget by 2017/18. Uncommitted NHB receipts are expected to reach circa £2.6m in 2017/18 which matches the current forecasted budget gaps. Alternatively the council may consider looking at budgetary savings options that could be found from the following sources:-
- Additional income generation
  - Further reductions in expenditure
  - Increases in Council Tax
  - Possible use of NHB
92. The table below sets out that the Council will seek to identify over £5.0m in resource options that can be considered to bridge the budget gap by 2017/18 and will now start to work up the detail. To achieve the required reduction in net expenditure the Council's Strategy will be:
- To continue to restrain Council Tax increases.
  - Deliver a balanced budget over the Financial Planning Period 2017/18.
  - Identify the savings required to balance the budget seeking to minimise the impact on front line service users.
93. In Summary, the table below summarises all the options available for consideration to bridge the forecasted budget deficit over the next three years totalling £5.186m

#### **Total Budget Resourcing Programme to 2017/18**

<b>Strategy</b>	<b>£m</b>
<b><i>INCREASING INCOME</i></b>	
Use of NHB	2.586
Review of New and Existing Income Streams	0.540
Growing the Borough's Tax Bases – Residential and Business	0.260
Project to Extend Market Walk	0.250
Council Tax Increases	0.250
<b>Sub total - income</b>	<b>3.886</b>
<b><i>REDUCING COSTS</i></b>	
Fundamental Review and Re-engineering of Services to Reduce Total Costs	1.150
Debt Restructuring Cost Savings	0.150
<b>Sub total – expenditure</b>	<b>1.300</b>
<b>Total Resources Available to Balance the Budget</b>	<b>5.186</b>

## CONCLUSION

94. This paper outlines for the Council the Executive's budget proposals for 2015/16:

- Council Tax for 2015/16 will be frozen for a third year and maintained at the same level as in 2013/13 and 2013/14.
- Budget efficiency savings of £0.708m have been secured in the budget in advance of 2014/15 to address the budget deficit forecasted in the previous MTFS.
- Headroom of £0.095m is created to provide funding for proposed recurring investment in the budget. Four new growth items are proposed to enhance the current service provision of the Council on a permanent basis.
- To increase the financial resilience of the Council in the light of future years' budget pressures and to mitigate against its exposure to risk it is proposed that the General Fund Balances is uplifted by a contribution made in 2015/16 of £0.350m. This is funded by a combination of NHB and budget headroom. The MTFS also proposed that the level of working balances should reach £3.0m over the 3 year lifespan of the strategy to 2017/18.
- A package of Budget Investments can be funded consisting of revenue and capital projects. In 2015/16 the total investment is in excess of £5.0m which means that £9.163m has been invested since 2013/14.
- Investments are consistent with the Budget Consultation result and will be made in key areas to support the new Corporate Strategy:
  1. INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.
  2. CLEAN, SAFE AND HEALTHY COMMUNITIES.
  3. AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.
  4. A STRONG LOCAL ECONOMY.
- Savings have been achieved from areas that have not reduced front line services supporting the Council in maintaining high performance.

- The Capital Programme continues to progress the MTFS objective of minimising its impact on the Council's level of borrowing commitment. This has been achieved by funding short life assets via contributions from the revenue account as opposed to borrowing. This action facilitate the continued capital investment within the borough as appropriate whilst also enables the budget gap to be reduced and does not impact on service provision.
- The assumptions included in the budget have been assessed in the light of the latest information available at this time. They are also compatible with the Council's proposed Pay Policy as set out in Appendix A2.

95. The MTFS contains the updated budget forecasts to 2017/18 which identifies that further budget savings will be required to bridge the funding gap in future years. The forecasted budget deficit in 2017/18 is estimated to be £2.595m and the MTFS sets out options that can be considered that total £5.186m. Therefore the MTFS provides a plan to deliver a balanced budget over the longer term in Appendix F.
96. The Council will need to continue working extremely hard, be innovative and creative to continue to make efficiencies and at the same time minimise the impact on services. There are still factors that may affect the current forecast financial position, namely the forthcoming CSR and performance against the BRR baseline funding level whilst also the Council's income streams will remain under pressure. The overall approach to be adopted in terms of further efficiencies is set out in the Medium Term Financial Strategy which is appended to this report.
97. The contents of this report are supplemented with additional reports, policies and statements to provide further details as referenced below:

Appendix A1	Formal Council Tax Resolution 2015/16
Appendix A2	Pay Policy 2015/16
Appendix A3	Fees and Charges Income 2015/16
Appendix A4	Proposed Revised Market Rents w.e.f. 01/04/15
Appendix B1	Capital Programme 2015/16 to 2017/18
Appendix B2	Capital Programme 2015/16 to 2017/18 Financing
Appendix B3	S106 and Similar Developers' Contributions
Appendix C	Budget Investment Package Report
Appendix C1	Budget Investment – Project Mandates
Appendix D	Treasury Management Strategy 2015/16 to 2017/18
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2015/16 to 2017/18
Appendix G	Significant Budget Movements 2014/15 to 2015/16
Appendix H	Special Expenses /Parish Precepts
Appendix I	Budget Consultation 2015/16
Appendix J	Assessing the Impact of 2015/16 Budget Proposals



## IMPLICATIONS OF REPORT

98. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources	✓	Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

## COMMENTS OF THE STATUTORY FINANCE OFFICER

99. The financial implications of the report are details in the report and specifically in the Medium Term Financial Strategy 2015/16 to 2017/18 and the Statutory Officer's Report attached in Appendix E.

## COMMENTS OF THE MONITORING OFFICER

100. The budget proposals are in accordance with the requirements of legislation.

## COMMENTS OF THE HEAD OF HR AND OD

101. HR will support the implementation of the budget proposals in relation to any changes to staffing resources in line with corporate policy and legislation.

GARY HALL  
STATUTORY FINANCE OFFICER

Background Papers:

Executive Cabinet 22<sup>nd</sup> January 2015 – 2015/16 Budget and Summary Budget Position  
Over the Medium Term

Report Author	Ext	Date	Doc ID
Susan Guinness	5101	17/02/15	Rev & Capital Budget Report