



REPORT OF: EXECUTIVE MEMBER, RESOURCES ON BEHALF OF THE LABOUR GROUP

TO: COUNCIL

DATE: 25th September 2014

PORTFOLIOS AFFECTED: ALL

WARDS AFFECTED: ALL

SUBJECT: Preparation for Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 – 2017/18

1. PURPOSE

- 1.1 To update Council on the forecast budget position for the three years 2015/16 – 2017/18 and to recommend to Council a range of advance budget savings proposals for early implementation to enable the Council to deliver a balanced budget for 2015/16 and make further savings in the following two years. The final detailed Revenue Budget 2015/16 and the Medium Term Financial Strategy (MTFS) and Capital Programme for 2015-18 will be set at Finance Council on 2nd March 2015.

2. RECOMMENDATIONS

- 2.1 Approve the proposals for advance budget savings for early implementation for the Revenue Budget 2015/16 and the two years beyond, 2016/17 and 2017/18, as outlined in this report and set out in Appendix B.
- 2.2 Note that as a consequence of these proposals, a number of staff will be put at risk of redundancy in a number of service areas in consultation with the relevant Trade Unions and that public consultation will be undertaken in other service areas where required to inform any final decisions.
- 2.3 Note that Executive Members will develop further savings options in the coming months for consideration by Council when setting the final balanced budget for 2015/16 in March 2015.
- 2.4 Agree a significant review of Adult Social Care services and the appointment of an efficiency partner to work with the department over the budget period as outlined in the report.
- 2.5 Approve the transfer of £5.5M from unallocated to earmarked reserves to facilitate delivery of the budget strategy as outlined in the report.
- 2.6 Agree the updated Pay Policy Statement prepared in accordance with the requirements of Section 38 of the Localism Act 2011 to have effect for the remainder of the year 2014/15 noting a reduction in the number of Chief Officer posts and recruitment proposals, as outlined in the report.
- 2.7 Note that the approved revenue budget and consequent level of Council Tax for 2015/16, the Medium Term Financial Strategy and Capital Programme for 2015-18 will be set at Finance Council on 2nd March 2015.

3. BACKGROUND

- 3.1 As reported previously, the Council has had unprecedented severe reductions in funding each year since 2010. In developing its budget strategies to respond to and manage the reductions in funding for the years 2011-13 and 2013-15, the Council has taken early decisions each time, in January 2011 and again in January 2013, which have enabled it to agree balanced budgets each year at Finance Council and maintain a reasonable financial position as noted by the External Auditors.
- 3.2 At the same time, the Council has had to respond to fundamental changes to the financial framework governing Local Authorities which the government has introduced, including:
- Local Council Tax Support Schemes replacing the national Council Tax Benefit scheme (with overall funding reduced by 10%).
 - Business Rates Retention Scheme allowing local authorities to benefit from increases locally in Business Rates income but sharing the risks of any reductions.
 - Changes to the funding of schools and education services.
 - The transfer of responsibility for the majority of Public Health functions (and the associated funding) from the NHS.
 - The transfer of responsibility (with a reduced level of associated funding) for the Crisis Loans and Community Care Grants elements of the Social Fund from the Department of Work and Pensions (DWP).
 - The phased introduction of Universal Credit by the DWP which will eventually replace Housing Benefit.
- 3.3 At Finance Council in March 2014, the MTFs indicated a range of future scenarios which have been updated to reflect the latest information available.

| | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 |
|--|-----------------|-----------------|-----------------|
| Forecast shortfall - MTFs March 2014 | 19,093 | 28,083 | N/K |
| Updated: | | | |
| Funding reductions | 11,788 | 14,756 | 16,938 |
| Cost pressures | 7,305 | 12,795 | 13,956 |
| Forecast shortfall – latest September 2014 | 19,093 | 27,551 | 30,894 |

This shows a middle, rather than best or worst case, scenario of significant further savings required of £19M in 2015/16 rising to £31M by 2017/18.

- 3.4 Inevitably, having already had to implement large scale reductions since 2010, delivering additional savings of this scale, largely front-loaded into 2015/16 will be much harder and will need earlier decisions to maximise the savings potential in the first year of the strategy.
- 3.5 This report therefore sets out the Labour Group's advance savings proposals for early implementation for 2015/16 and beyond, which will enable Council to finalise and agree the Revenue Budget and associated level of Council Tax for 2015/16 together with the MTFs and Capital Programme 2015-18 at Finance Council on 2nd March 2015.

4. RATIONALE

4.1 The council is required to set a balanced Revenue Budget for the financial year 2015/16 by March 2015. Further reductions over the next 3 years of the scale indicated by the figures in this report will take time to plan, consult appropriately, implement and deliver. Therefore, as in recent previous budget strategies, early decisions by Council on advance savings proposals are required to enable financial savings to be maximised in the first year 2015/16 and to enable Finance Council to agree a balanced revenue budget. Executive Members will continue to work up further savings options for presenting to Council before the final budget for 2015/16 is approved.

5. KEY ISSUES

5.1 Local Government Finance Settlement.

The indicative Local Government Finance Settlement for 2015/16 was published on 5th February 2014.

Spending Power

The government produced an adjusted 2014/15 baseline to show comparisons with the indicative figures published for 2015/16. Using this adjusted baseline for 2014/15 the government has identified that BwD would face a further reduction in its "Spending Power" of 4.62% in 2015/16.

The government based this calculation on the following information:

| | 2014/5 Adjusted Baseline £M | 2015/16 Spending Power £M | Change in Spending Power £M |
|--|--------------------------------------|------------------------------------|--------------------------------------|
| Council Tax | 38.63 | 38.54 | -0.09 |
| Settlement Funding Assessment (Revenue Support Grant and Business Rates) | 88.03 | 75.32 | -12.71 |
| Council Tax Freeze Grants 2014/15 and 2015/16 (assumed) | 0.49 | 0.98 | +0.49 |
| Local Welfare Provision | 0.77 | 0.00 | -0.77 |
| New Homes Bonus | 0.90 | 1.41 | +0.51 |
| Flood Defence | 0.03 | 0.02 | -0.01 |
| New Homes Bonus – Returned Funding | 0.13 | 0.34 | +0.21 |
| Council Tax Support New Burdens | 0.12 | 0.00 | -0.12 |
| Public Health Grant (ringfenced) | 13.13 | 13.13 | 0.00 |
| Better Care Fund (NHS) | 5.19 | 10.81 | +5.62 |
| Adult Social Care New Burdens | 0.91 | 0.91 | 0.00 |
| Other | 0.54 | 0.54 | 0.00 |
| | | | |
| Total | 148.87 | 142.00 | -6.87 |
| | | | -4.62% |

The government's calculation of spending power includes increased NHS revenue funding of £5.62M for the Better Care Fund. The vast majority of this funding is already committed in the NHS and government guidance in respect

of the Better Care Fund has subsequently been revised a number of times during the course of the year. If the Better Care Fund is excluded from the calculations there is a reduction in funding of £12.49M or 8.69%.

Council Tax

Should Finance Council agree to no increase in Council Tax in 2015/16, then the authority will receive Council Tax Freeze Grant of £0.49M (equivalent to a 1% increase in Council Tax) in 2015/16 in addition to the continuing 2014/15 council tax freeze grant as reflected in the table above.

Social Fund

The government provided specific grant funding of £781k in 2013/14 towards the programme and administrative costs of the Social Fund (formerly the responsibility of the DWP). This grant reduced to £770k in 2014/15 and no separate grant is shown for 2015/16. As the budget is finalised, Council will need to decide whether to reduce or amend the current support provision or continue to fund from other resources and cut services elsewhere.

Public Health

The council receives £13.1M in 2014/15 for delivery of its public health responsibilities. The allocations for 2015/16 are not yet finalised but current indications are that the allocation will remain at the same cash level with no increase for inflation so would in fact represent a real terms reduction in funding. This is before the expected increase to include the part year transfer of funding for the commissioning of 0-5 prevention spend, including Children's Community Health Visitor Services from October 2015. Again this transfer of funding will already relate to existing NHS contractual commitments, at least in the short term.

Business rates

Before April 2013, under the system of national non-domestic rates (NNDR) business rates were collected by local authorities and paid into a central government pool for redistribution to authorities via the formula grant system.

Whilst rateable values and the rate in the pound (multiplier) are still determined by the valuation office and central government, and the income is still held within the formula grant system, business rates growth is now shared, with 49% of growth income being retained by the council and 1% by the Fire Authority up to a limit beyond which a levy would be payable to central government.

However, reductions in business rate income are also shared, subject to a safety net. The safety net is funded nationally from levies raised.

Council will need to regularly review its business rates income forecasts including potential for growth and reductions alongside the financial implications of local discretionary business rate relief schemes.

Treasury Management, Financing Costs and Investment Income

Interest rates have remained at historically low levels since 2009 and investments have generated lower returns. There is also the prospect of future increases in interest rates which may result in increased borrowing costs.

Financial risks

As a result of the changes to the financial frameworks governing local authorities, the Council now faces increased financial risks, both if the number of people claiming discounts in respect of Local Council Tax Support alters, and also should the receipts collected in respect of business rates change. The Director of Finance takes risks into account when assessing and recommending the minimum level of reserves to Finance Council each year.

5.2 Budget Update 2014/15

The 2013-15 two year budget strategy approved by Finance Council in March 2013 was updated and largely confirmed with little change in March 2014. Given the scale of the savings required, good progress has and continues to be made by all portfolios in delivering this strategy both in 2013/14 and during the current 2014/15 financial year. Variations are reported through Executive Board as required.

5.3 Budget Strategy 2015-18

The Budget Strategy being developed for the next 3 years reflects:

- The Local Government Finance Settlement
- Continuing Welfare, Education and NHS Reforms
- The potential impact of planned health and social care integration through the Better Care Fund
- Pay and price inflation
- Changes in specific grant funding
- Financial impact of legislative changes including the Care Bill
- Revenue consequences of capital investment
- Known corporate and portfolio budget pressures

This budget strategy is based on the following principles:

- To reflect the priorities of the Council and ensure we meet the requirements of the residents of the Borough as far as possible when faced with substantial budget reductions.
- To invest effectively where possible to deliver our priorities
- To protect where possible front line services to members of the public with savings in managerial, administrative and support service functions.
- To address the financial pressures of demographic and demand changes
- To continue to invest in key capital schemes to support good asset management and regeneration of the borough.
- To improve value for money through efficiencies and invest to save options.

- To maximise partnership working where this can realise service benefits and cashable efficiencies
- To develop digital services for our communities and thus improve accessibility and availability.
- To ensure commercial and income generating services at least cover their costs with minimal if any subsidy in the longer term.
- To maintain the minimum level of balances as recommended by the Director of Finance.
- To ensure the Council has a sustainable and robust financial position in future years.

5.4 Budget and Service Reductions

Given the further financial challenges ahead, Executive Members and Officers have again reviewed all services and prepared options to deliver budget reductions over a 3 year period. Wherever possible Executive Members and officers strive to mitigate the impact on the residents of this borough.

Invest to Save initiatives which also mitigate future cost increases and financial risks are also considered. All Invest to Save initiatives will be subject to options appraisals and business cases.

The scale of these further budget reductions in 2015/16 and beyond combined with those already implemented since 2010, will inevitably lead to more significant reductions in the services provided to the residents of this borough. Additional savings will also be identified over the coming months to enable Council to set a balanced budget in March 2015.

5.5 Impact on Staff

Given the difficult budget position, Members have been advised that the Chief Officer Employment Committee has already agreed a further reduction in Chief Officer (Senior Managers) numbers, merging two Director posts in to one post of Director of Finance and IT. This will facilitate re-organisation and restructure consistent with the proposals set out in this report and contribute to advance savings as set out within the portfolio proposals. As a consequence of these changes, Council is asked to agree the amendment to the Pay Policy to reflect this reduction in posts, and note that the updated Pay Policy will be available on the Council website. There are no further changes proposed to the Pay Policy and the Chief Officer Employment Committee intends to progress to recruit to any vacancies in this amended structure in accordance with the Pay Policy during 2014/15.

It is unfortunate but inevitable that there will continue to be further job losses, including compulsory redundancies in the coming months and years. Therefore some staff will be formally at risk of redundancy whilst consultation is undertaken and options developed further.

As a consequence of the proposals and the potential number of redundancies likely, i.e. as a minimum in excess of 99, it will be necessary to report formally to the Secretary of State the likely redundancies as required by legislation following this meeting of the Council.

Where staff are at risk of redundancy, it can take several months to realise savings. Open applications for ER/VR (early retirement and voluntary redundancy) will continue to be accepted and agreed where there is a financial saving to be made and all vacant posts will continue to be reviewed with a view to deleting wherever possible.

In order to manage the transition, smooth the impact of one-off costs, such as redundancy and pension strain falling to the Council, and maximise ongoing revenue savings, the Council established an earmarked reserve to provide for these costs as and when they are incurred during the ongoing savings processes. Following the actuarial review of the pension scheme, the actuary has reviewed the factors used in calculating pension strain costs for employers and there is likely to be an estimated increase in costs of around 15% from 2014. Each application is considered on an individual basis including a review of the cost implications and future savings should the post be deleted as a consequence of the application being approved.

In order to continue this effective process of voluntary redundancy and/or early retirement and help reduce the numbers of compulsory redundancies where appropriate over the course of delivering the next 3 year budget strategy, the earmarked reserve will need to be 'topped up' from general unallocated reserves and current estimates indicate a 'top up' of £1.5M in 2014/15.

5.6 Capital Programme 2015-18

The Capital Programme for 2015-18 will be recommended to Finance Council for approval in March 2015. Continued strategic capital investment is important for the long term future of the borough and although the programme is inevitably smaller than in previous years, the Council should continue to place an emphasis on regeneration and economic growth.

5.7 Portfolio budget strategies and savings proposals

Each Executive Member has considered a range of options for all services in the portfolio, reviewed statutory requirements and the need for all portfolios to deliver savings over the next 3 year period. Some statutory and/or high priority front line service areas have been protected and inevitably not all portfolios will be able to deliver the same level or proportion of savings.

A brief outline of the approach taken in each portfolio is provided below and the list of advance savings proposals is attached at Appendix B.

Health and Adult Social Care

- Public Health

A review, re-specification and re-tendering where required, will be undertaken of all commissioned public health contracts and public health budgets to deliver efficiencies and enable reinvestment in Public Health outcomes which ensure delivery against the Council and the Health and Wellbeing Board's public health priorities. This will link to the Social Determinants of Health model with Council services focused on supporting the delivery of public health priorities for 2015/16 and beyond.

- *Adult Social Care*

The portfolio will continue to meet an individual's legal entitlement to care based on assessed need and will look to minimise the impact of further cuts on service users as far as possible. The key strand will be to work with a procured and proven efficiency partner on a fundamental overhaul across the service of care pathway redesign, service optimisation and promoting independence. By continuing to focus on independence, prevention and early intervention this should reduce the reliance on residential care and improve the experience for individuals. We will also continue to integrate with health and other partners at a local level.

The department has been reviewing all options to reduce costs, reduce demand for intensive support and enable individuals to retain their independence for longer. To assist in this and bring in proven experience from elsewhere and the capacity required to undertake a whole system review and deliver significant financial savings, a procurement exercise has been undertaken and it is recommended that an efficiency partner, Newton, is appointed on a risk share and 100% contingent fee basis. This effectively means that the efficiency partner will 'underwrite' the level of ongoing savings identified for the Council. Gross savings of around £3M per annum, cumulatively £9M over the 3 year MTFS period, are anticipated for an investment of around £370k per annum which is wholly dependent on delivery of the expected savings which will be sustainable in the longer term.

There are no proposed cuts to those services which support our core priorities for maintaining independence including: aids and adaptations, Carers' short breaks service, telecare, independent living and reablement services. In addition, there are no proposed reductions in supported living costs or specialist mental health social work and support services.

There are new requirements falling to the Council in respect of implementing the Care Act provisions and whilst the government has provided some 'new burdens funding' in respect of this, it is not yet clear whether this funding will be sufficient. An assessment of the financial implications will be undertaken and reported through the budget process.

Children's Services

All members are corporate parents for children in care and the clear focus for the portfolio is on getting the best outcomes for each child. The overarching aim is to reduce the number of cases of children in the 'social care system' and shrink the business as this would be an indicator of more children thriving in the right environment. The strategy will focus on preventing older children entering the care system where possible and remaining within the family with support where necessary. Those children who do come into care should enter the care system early and move on to permanence quickly. The focus will also be on foster care and adoption and on our early help strategies with an awareness of the inspection and legal framework the Council and Children's Services operate within.

The portfolio provides sensitive and critical services which are often demand led and the cuts in this portfolio are lower than in other areas given the risks to

the children of this borough in significantly reducing safeguarding support services. There are no proposed cuts to vital safeguarding services including the Engage team and the initial screening, assessment and short term social work team, which includes the Multi-Agency Safeguarding Hub (MASH). Nor are there any proposed savings in the budget for the Local Safeguarding Children Board (LSCB), which is funded by a number of partner agencies or the Participation and Voice for children and young people budget.

Environment

The portfolio provides a number of universal frontline services which are highly visible and are amongst the top priorities for residents, businesses and visitors to the borough. However, every portfolio is challenged to find savings to contribute to the Council's overall budget position and therefore, in addition to the savings shown in the appendix, there will be fundamental service, efficiency and productivity reviews during the first year to identify potential savings from year 2 in key priority areas including refuse collection, street cleansing, grounds maintenance and household waste recycling. The portfolio will maintain statutory minimum services, review all fees and charges with increases where appropriate, and will significantly reduce management and support costs to protect front line service delivery.

In relative terms, given the visibility and importance of the portfolio's services, the cuts in this portfolio will be lower than in some other areas. There are no proposed savings for waste disposal and recycling collection as these are contracted services where costs are fixed in the short term and are volume dependent on waste tonnages.

Leisure, Culture and Young People

The Council continues to invest in leisure facilities for the long term benefit of the borough with the new sports arena at Witton Park and the joint Blackburn Leisure Centre development with Blackburn College. The latter will result in the closure of Waves in 2015 which was in need of significant repair and improvement work if it was to remain a viable option for leisure services. Alongside these investments, the portfolio will undertake a review of leisure provision across the borough. There will be a focus on income generation, where appropriate, particularly in the new facilities and on system improvements and efficiencies, including digital first and self service facilities for customers in Blackburn and Darwen libraries. Staffing will be reviewed across all services as will non-staff budgets and partnership arrangements to deliver efficiencies and cost savings.

There are no proposed cuts in commercial services including King George's Hall, Blakey's and Darwen Library Theatre. Important heritage assets such as the Museum will not be subject to further cuts at this stage, similarly for the parks and countryside services.

Neighbourhoods, Housing and Customer Services

The portfolio will maintain statutory minimum service levels where necessary and will explore efficiency options with partners and the voluntary sector. A review of neighbourhood support will take place which encompasses the

existing neighbourhood teams and adult learning linked to Troubled Families and the emerging Transforming Lives agenda. This review will also consider community safety and domestic violence services with a view to delivering efficiencies across a number of services. Savings will be made in the Council's customer services linked to channel shift and a digital first approach with assistance for those who need it most.

There will be no cuts in some community safety services such as CCTV and the Council's contribution to PCSO's which is match funded by the Police and Crime Commissioner. At this stage, even though specific government funding has ended, we will look to maintain the emergency support and community care grants for the most vulnerable now provided by the Council, formerly provided through the DWP social fund, although the Council will need to identify efficiencies where possible as the specific funding has gone. Other important areas including Housing Needs and Homelessness and Housing Standards are not being cut in these budget proposals.

Regeneration

The Council continues to prioritise economic growth and job creation with the portfolio investing in major economic infrastructure projects and future plans for growth and prosperity. In this context, the portfolio operates a number of commercial services and will review all fees and charges to maximise income and minimise subsidies on commercial activities where appropriate. Teams will be merged to reduce management and staff costs. Grant funding and contributions to partners together with fees related to highways and transport services will also be reviewed.

No reductions can be made to the budget and costs of the national concessionary fares scheme.

Resources

The portfolio will maintain statutory minimum service levels with a focus on system improvements and efficiencies through a digital first approach for both staff and customers. Management and staffing levels will be reviewed and reduced in all service areas and there will be a significant review of services delivered through the strategic partnership with savings expected from 2016. There will also be a focus on income generation where appropriate, including across the investment property estate.

Despite the system improvements for staff and customers, there will inevitably be impacts on capacity and resilience across all areas of the portfolio due to the significant reductions proposed in physical resources. These implications will be closely monitored and reviewed as the changes are progressed to ensure statutory service support is protected, as a consequence however, other support will become more limited and subject to longer response times. To protect our property assets, there will be no further cuts to the corporate property repair and maintenance budget, neither has the budget for civil contingencies been reduced. A number of other budgets within the portfolio are effectively fixed cost or not directly influenced by the Council and have not been reduced, these include the flood defence levy, the Coroner's Services, fees for external audit and elections costs.

Schools and Education

The majority of services will be reviewed and reduced across the portfolio with a focus on maintaining effective relationships with the whole schools sector, readiness for Ofsted inspections and having an effective quality assurance role for the Council in terms of educational improvement. The portfolio will ensure basic statutory compliance for services such as school improvement, learning access, special educational needs and alternative provision will be achieved. Some services may have to be reduced to a minimum offer, including school transport, participation, education welfare, commissioned services such as Connexions and the traded services infrastructure for services to schools. In addition, to generate efficiencies, there will be mergers of some departmental teams with corporate teams in estates and asset management and schools IT support.

Given the changes to the schools system and the educational funding framework at a national level, and the ongoing reductions in the Education Services Grant provided to the Council, there are few services in this portfolio which can be protected and all services have been reviewed.

Summary

The Council continues to face substantial reductions in government funding as well as other corporate and service pressures. The Council therefore continues to face a considerable financial challenge if it is to set a balanced budget as required by statute. The Council has for many years had robust corporate governance and management arrangements which have led to good financial management, the delivery of efficiencies and planned investment in priorities. The Council is already implementing improvements to its business systems and processes. This provides a strong foundation enabling it to successfully meet the difficult challenges it will face in the coming months and years.

5.8 Next Steps

The advance savings proposals presented to council in this report amount to c.£16M in 2015/16 rising to c.£26M by 2017/18 should all savings proposals be approved and implemented. This still leaves a shortfall of c.£3M in 2015/16 rising to c.£4M p.a. over the next 2 years and further options will be developed and reported to Finance Council in March 2015. This will include a review of Council Tax and Business Rates income and collection rates and potential savings contributions from the workforce as we have seen over the past 4 years through each member of staff agreeing to take 4 days leave without pay. Discussions are ongoing in respect of workforce savings once the current arrangements ends in March 2015.

In addition, the usual cycle of budget preparation will highlight any other financial pressures emerging which are not yet factored in to the MTFs for reporting through to Finance Council.

5.9 Level of Reserves

The Director of Finance recommended a minimum level of reserves of £5.9M which Finance Council approved for 2014/15. This will be reviewed over the coming months with recommendations to Finance Council in March 2015.

In addition, the Council also established an earmarked reserve specifically for application where there is a business case to do so - either when full year effect savings cannot be achieved or there is slippage on savings proposals in-year. This reserve was established for the 2011-13 budget strategy and Council accepted that given the scale of the financial challenges and level of savings required then and for the 2013-15 budget strategy, that it was unlikely that all savings proposals would be delivered in full in the first year and that this reserve would be required to smooth implementation. This remains the case for the 2015-18 strategy being developed which requires significant front-loaded savings of £19m in 2015/16 rising to £31M by 2017/18. Therefore it is proposed that £4M is transferred from general fund unallocated reserve to the earmarked reserve for part year effect and slippage to provide for the 2015-18 budget strategy and savings proposals. The application of this reserve would remain subject to business case approval.

Impact on general unallocated reserves:

| | |
|--|--------|
| Estimate at Executive Board, August 2014 | £12.8M |
| Transfer to redundancy reserve | £1.5M |
| Transfer to part year effect reserve | £4M |
| Forecast unallocated reserves | £7.3M |

As the minimum recommended general reserve is £5.9M this leaves true unallocated reserves of just £1.4M.

5.10 Conclusion

The proposed revenue budget strategy will continue to focus on delivering on the Council's priorities and will try to minimise the impact of spending cuts with the delivery of quality efficient and effective services to and for the citizens of this borough, whilst ensuring the council operates within the financial constraints imposed by central government.

6. POLICY IMPLICATIONS

6.1 The budget process is the mechanism by which the Council allocates resources so that it can achieve its policy objectives.

7. FINANCIAL IMPLICATIONS

7.1 The recommended savings in this report will enable consultation and implementation planning to begin to maximise the level of savings achievable

in 2015/16 and will contribute towards the final budget being set by Council in March including the level of net revenue expenditure for the Council in 2015/16, the capital programme and the level of council tax, together with indicative figures for the following two years.

8. LEGAL IMPLICATIONS

8.1 The Council is legally obliged to set a balanced budget. The Local Government (Standing Orders) (England) (Amendment) Regulations 2014, which came into force on 25 February 2014 require local authorities to record in the minutes of a budget decision meeting the names of persons who cast a vote for or against the decision or who abstained from voting.

8.2 The Localism Act 2011 requires the Council to prepare a Pay Policy Statement each year. The policy must include the remuneration of its Chief Officers. Under Paragraph 39(4) of the Act the Council may amend its Pay Policy Statement. Under paragraph 40 the council must have regards to guidance issued or approved by the Secretary of State. The amendment proposals meet the requirements as set out.

9. RESOURCE IMPLICATIONS

9.1 Decisions taken during the budget process will affect the resources allocated to all service areas.

10. EQUALITY IMPLICATIONS

10.1 All proposals will be subject to an Equality Impact Assessment where appropriate before implementation.

11. CONSULTATIONS

11.1 The Council consults with residents, partners and stakeholders in a variety of different ways and different forums. All consultation and engagement exercises contribute to the setting of local priorities as reflected in the Corporate Plan.

At the strategic level, improving the local economy and jobs available for local people along with reducing crime have been consistent priorities. Consultation and engagement shows that improving the ways that communities get on together is also a consistent local priority. In relation to local service delivery, clean streets, improved parks and open spaces and refuse collection have been consistently identified local priorities. Also of great importance to people are 'job prospects, wage levels and the cost of living' together with 'caring for and protecting children and adults'.

As set out in the report, a number of the proposals have staffing implications and the Council will consult in accordance with legislation and its consultative machinery with staff and the trades unions.

The Council takes the views of all the groups into account when preparing its budgets. It is moving towards achieving its priorities, whilst not increasing

Council Tax. The Council is focusing its resources on meeting the economic challenges facing this borough and improving the skills of its residents.

Appendices

Appendix A - Budget Forecast 2015/16 – 2017/18

Appendix B – Advance Budget Savings Proposals

CONTACT MEMBER: Councillor Andy Kay, Executive Member Resources

DATE: 25th September 2014