

Budget Council

27 February 2014

Agenda Item 79

Brighton & Hove City Council

Subject:	General Fund Revenue Budget & Council Tax 2014/15		
Date of Meeting:	27 February 2014 13 February 2013 – Policy & Resources Committee		
Report of:	Executive Director of Finance & Resources		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 This report sets out the final proposals for the General Fund Revenue Budget and Council Tax for 2014/15. It takes into account feedback and evidence received by the council through consultation, the scrutiny process and equalities impact assessments. It also sets out the approach to the budget setting process in particular the links to the Corporate Plan and highlights ways in which investment in key preventative services is being sustained and in some cases enhanced.
- 1.2 The report takes into account the recent decisions made by Policy & Resources Committee on the council taxbase and business rates taxbase and by Full Council on council tax discounts and exemptions. The original proposals were also published prior to the Provisional Local Government Finance Settlement so a number of changes to funding assumptions have also been made.
- 1.3 The core of the budget is based on an assumed council tax threshold increase of 2%. However, the proposed increase in council tax is 4.75% which, if agreed, would require a referendum in accordance with Chapter IVZA of the Local Government Finance Act 1992 and associated regulations.

2. RECOMMENDATIONS:

That Policy & Resources Committee:–

- 2.1 Recommends to Council:
 - 2.1.1 The core elements of the 2014/15 General Fund Revenue Budget proposals contained in the body of this report which have been based on a threshold council tax increase, subject to recommendation 2.3, including:
 - The 2014/15 budget allocations to services as set out in appendix 1.

- The council's net General Fund budget requirement for 2014/15 of £225.3m.
- The budget savings package as set out in appendix 4.
- The contingency budget of £4.37m as set out in table 8.
- The reserves allocations as set out in paragraph 3.39 and table 6.
- The borrowing limit for the year commencing 1 April 2014 of £380m.
- The annual Minimum Revenue Provision statement as set out in appendix 10.
- The Prudential Indicators as set out in appendix 11 to this report.
- The proposed responses to the scrutiny recommendations as set out in appendix 16.

2.1.2 A 4.75% increase in the Brighton & Hove element of the council tax with:

- the additional resources generated being used to reduce the budget savings package as set out in appendix 17;
- the revised budget allocations as set out in appendix 17;
- the funding of the costs associated with holding a referendum in accordance with Chapter IVZA of the Local Government Finance Act 1992 and associated regulations as set out in appendix 17;
- the Substitute Budget including additional costs as set out in appendix 17 which would come into effect if a referendum rejected the proposed 4.75% increase in council tax.

2.1.3 That the Equalities Impact Assessments set out in Appendix 13 be noted.

2.2 Note the revised Medium Term Financial Strategy and resource projections for 2014/15 to 2019/20 as set out in appendix 8.

2.3 Note that supplementary information needed to set the overall council tax will be provided for the budget setting Council as listed in paragraph 4.4.

2.4 For the purposes of enacting the Business Rates discount and relief changes announced in the government's Autumn Statement 2013, grant delegated authority to the Executive Director of Finance & Resources to design and administer the scheme in accordance with government guidelines as set out in paragraph 3.17.

3. CONTEXT/ BACKGROUND INFORMATION:

Structure of the report

3.1 The report provides full information on function and funding changes and other legal and financial matters that have resource implications for the 2014/15 budget. The full set of information provided in this report is listed here as an aid to navigation:

- **Local Government Finance Settlement** - updates are given on the latest position regarding government grant announcements;
- **Referendum Threshold and Council Tax Freeze Grant** – information is provided about recent government announcements;
- **Business Rates Retention** – updated forecasts of the council's share of business rates for this year and next are included;
- **Better Care Fund** – information about the preparation and planned changes relating to the Better Care Fund;
- **Schools Funding** – Information on Dedicated Schools Grant (DSG) and Pupil Premium;
- **Other Government Grants and New Homes Bonus** - Information on other government grants with details in appendix 6 and the New Homes Bonus final allocations for 2014/15;
- **Fees and Charges** – More information of the Fees and Charges is given within the Budget Strategy appendix 3;
- **Reserves Position** - a re-assessment is included of the level of reserves available to fund one-off items of expenditure and / or provide short term support for the budget. A full review of reserves is included in appendix 7;
- **Expenditure Estimates** - including information on the latest position in 2013/14, internal transfers and other adjustments, an analysis of budget changes since 2013/14, inflation, risk provisions, commitments and reinvestment, investment in preventative services and service pressures;
- **Budget Strategies and Savings** - including savings proposals and potential staffing implications;
- **Annual Minimum Revenue Provision (MRP) Statement and Prudential Indicators** – information on the full statement is attached at appendix 10 and the prudential indicators are shown in appendix 11;
- **Corporate Budgets including Contingency** - information on changes to the main corporate budgets including the resources held in contingency for 2014/15;
- **Council Tax** – including council tax, referendum and the supplementary information required for Budget Council;
- **Medium Term Financial Strategy** - Information on the financial strategy over the next 6 years is included in appendix 8 alongside an assessment of risks in appendix 9;
- **Report of the Chief Finance Officer** – including the robustness of estimates, adequacy of reserves, and an assurance statement by the council's section 151 officer;

- **Community Engagement, Consultation and Scrutiny** – details of consultation and engagement including a summary report on budget consultation and the report from scrutiny in appendix 15 and 16.

Projected Resources available in 2014/15

Local Government Finance Settlement

- 3.2 The final Local Government Finance settlement was announced on the 5th February 2014 but some government grant information still remains unpublished. The Final settlement contains the funding assessment for 2014/15 and illustrative figures for 2015/16. The table below shows comparisons with 2013/14.

Table 1	Brighton & Hove City Council		
	Final 2013/14 £ million	Final 2014/15 £ million	Illustrative 2015/16 £ million
Revenue Support Grant (RSG)	77.652	63.442	45.453
Government assumed business rates income retained by the council	50.079	51.055	52.464
Top-up Grant	1.581	1.611	1.656
Total Funding	129.311	116.108	99.572
Reduction		-13.203	-16.536
Percentage		-10.2%	-14.2%
Note: Some tables may not add up exactly due to rounding.			

- 3.3 The government assumed level of business rates retained locally is used in the grant calculation and is different from the actual business rates forecast to be collected locally which is shown later in this report. The top-up grant was determined when the business rates retention system was introduced to smooth changes from the previous system and is increased by inflation each year.
- 3.4 The reductions in funding shown in table 1 are cash reductions in funding and exclude changes in specific government grants. In real terms i.e. taking into account inflation, the percentage reductions increase to -12.3% for 2014/15 and -15.7% for 2015/16.
- 3.5 The government uses a “spending power” calculation in the settlement to make comparisons between authorities. It does not measure like-for-like changes in funding from one year to the next but includes reallocated funding such as possible contributions from the NHS to support social care budgets and spreads these over a much bigger funding baseline which includes other grants and council tax. Their calculation does not reflect all of the new burdens placed on local authorities to provide additional services neither does it take into account inflation, demographic and other cost pressures that councils are facing. The

table below shows the “spending power” changes as set out by CLG in the final settlement.

Table 2 CLG Spending Power figures			
	Brighton & Hove City Council	National Average	Unitary Average
Provisional 2014/15	-3.4%	-2.9%	-2.9%
Illustrative 2015/16	-2.0%	-1.8%	-1.8%

- 3.6 In 2014/15 the highest reductions in spending power are in the poorer areas with the greatest needs such as Hull and Liverpool which have reductions of -5.5% and -5.4% respectively. Whereas wealthier areas with lower needs such as Central Bedfordshire and Wokingham have small increases in spending power. A similar pattern is repeated in 2015/16.

Referendum Threshold and Council Tax Freeze Grant

- 3.7 The Government has announced that the threshold above which an increase in council tax requires confirmation from a local referendum will be 2%. All authorities must also be mindful of the impact of changes in levies on the referendum trigger. Any proposal to increase council tax above the threshold will need to be accompanied by an agreed substitute budget which would need to be implemented if the increase is voted down in the referendum.
- 3.8 The Government had earlier announced that council tax freeze grant for 2011/12, 2013/14, 2014/15 and 2015/16 will be protected in baseline funding in future years. This means that there is no specific ‘cliff edge’ when the freeze grants end for the authorities that have accepted the grant funding as the funding reduction will now be spread across all authorities whether they have had a council tax freeze in those years or not.
- 3.9 The grant settlement includes new council tax freeze grants for 2014/15 and 2015/16 equivalent to a 1% increase in council tax for those councils who agreed to freeze their council tax in 2014/15 and/or 2015/16. However, the grant will be calculated using the council tax base before adjustments are made for the council tax reduction scheme making the grant for Brighton & Hove about £1.2m in each year.
- 3.10 Full Council on 27 February 2014 will determine both the budget and council tax for 2014/15 but a decision to freeze the council tax next year will require approximately £0.8m additional recurrent savings to be identified and agreed compared to the threshold increase of 2%. Increases above the threshold will generate approximately £1m additional resources for each 1% increase in council tax but will also generate one-off costs linked to the referendum as set out later in this report.
- 3.11 The impact of implementing council tax freezes in 2011/12 and 2012/13, instead of the maximum allowable increase of 3.5%, has reduced the potential resources available to the council in 2014/15 by approximately £4.4m.

Forecast Business Rate Retention income for 2014/15

- 3.12 Details of the likely business rate retention income forecasts were set out in the report to the January meeting of Policy & Resources Committee. It was agreed that the final figure for 2014/15 which had to be determined by 31 January 2014 would be delegated to the Executive Director for Finance & Resources in consultation with the Chair of Policy & Resources Committee because of the late release of forms and guidance by CLG.
- 3.13 Table 3 below shows the forecasts of the council's 49% share of business rates income for 2013/14 and 2014/15 agreed by the Executive Director for Finance & Resources.
- 3.14 The increase in the forecast of the council's share of business rate income shown in table 3 below of just under £7.4m between 2013/14 and 2014/15 is due to the removal of a £6m one-off provision for refunds made in 2013/14, the assumed annual uplift in the business rates poundage of 2% and the estimated forecast growth in the base.

	2013/14 £ million	2014/15 £ million
Council forecast	44.208	51.580
Estimated Safety Net grant	1.996	-
S.31 Grant to compensate for the changes announced in the 2012 and 2013 Autumn Statements*	1.300	3.185
Total forecast council share	47.504	54.765
Forecasts made this time last year	47.504	52.765
Change in business rates forecast	-	+2.000
* It is unclear how long the Government will continue to pay some of these compensation grants. The decision to cap the inflationary increase at 2% will need to be paid every year from now on otherwise the council will lose the equivalent of £0.6m funding per annum.		

- 3.15 The forecasts for business rate income in both years have increased by about £2m since last year although in 2013/14 the improvement has been offset by an equal reduction in the safety net payment. The improvement is a result of lower than anticipated appeals and refunds, increases in the business rates base and the forecast benefits of additional work planned for 2014/15 to verify the data on the business rates register.
- 3.16 The council adopted a strategy of allowing for all future appeals and refunds in 2013/14 because this approach potentially maximised resources over the longer term. CLG have yet to publish draft regulations setting out how to account for appeals and refunds and the guidance they have so far provided conflicts with proper accounting practice. However, the strategy adopted is also flexible

enough to cope with changes to the regulations within the current resource envelope set aside. In 2017/18 a new revaluation will be implemented and it is unclear how subsequent appeals against the 2017 rating list will be treated.

- 3.17 Qualifying Business Rates payers will be entitled to some new discounts from 1 April 2014, following an announcement of changes in the Government’s autumn statement. CLG advised Local Authorities on 23rd January that they should use their discretionary powers to set up two of these discounts at a local level, in tandem with the government’s guidelines. The cost of the discounts will be fully reimbursed later via Section 31 grant. There will be a £1000 discount for shops, cafes, restaurants and bars with a Rateable Value of less than £50,000. Some exclusions apply, such as banks, betting shops, estate agents, medical services, solicitors and accountants. A 50% discount will be available for businesses that move into retail premises that have been empty for at least one year. The discount will last for a maximum 18 months, and is available between 1 April 2014 and 31 March 2016. This scheme overlaps with our own Empty Property Occupation Discount, which also provides support for businesses reoccupying empty properties. However, in our scheme the discount is 100% for six months for properties with a Rateable Value of less than £25,000, and a discount of 50% for six months if the Rateable Value is between £25,000 and £35,000. We will be bringing back proposals to this committee to reconcile the two schemes, but in the meantime we will need to enact the Government’s initiative in time for 1 April 2014.

Better Care Fund

- 3.18 In the July Spending Review, the Government announced £3.8bn per annum nationally from 2015/16 for an Integrated Transformation Fund (now known as the Better Care Fund) across adult social care and health. £1.9 billion of this funding is already provided to local authorities in the existing NHS Funding for Social Care or in other sources of grant funding such as Carers Grant and Disabled Facilities Grant. The pooled Better Care Fund revenue budget for 2014/15 is £5.632m including an anticipated additional transfer from the NHS of £1.024m in 2014/15 to support preparations for implementation in 2015/16.
- 3.19 In 2015/16 the Better Care Fund Plan will be created from the following existing funding streams, a significant proportion of which is already being spent by the local authority on joint health and social care priorities. The sums currently allocated for health and social care in Brighton and Hove in this way are identified in the table below.

Table 4 : 2014/15 allocation of Better Care Fund Funding Streams

Funding Stream	National ‘Pot’	Brighton & Hove’s Current Allocation 2014/15
	£ million	£ million
NHS Funding	1,900	n/a

Carers Break Funding	130	0.600
CCG Reablement Funding	300	1.400
Adult Social Care Capital Grant	129	0.674
Disabled Facilities Grant (Capital)	225	0.727
Current transfer from NHS to Social Care	900	4.608
Additional transfer from NHS (2014/15)	200	1.024

3.20 Provisional figures in relation to Brighton and Hove's allocation for 2015/16 were released by NHS England on 20th December 2013 as below:

Table 5: Provisional figures for 2015/16	£ million
NHS Brighton & Hove CCG	18.065
Social Care Capital Grant	0.684
Disabled Facilities Grant	0.911
Total Better Care Fund	19.660

3.21 An element of the fund will be dependent on performance and outcomes will be agreed as part of the Better Care Fund Plan against which achievements will be monitored. There are clearly risks associated with the performance nature of the funding and a risk mitigation approach will also be agreed between partners.

Schools Funding

3.22 For 2013/14 the Dedicated Schools Grant (DSG) was split into 3 notional blocks: schools, early years and high needs. The Department for Education (DfE) will continue the Minimum Funding Guarantee (MFG) at minus 1.5% per pupil in 2014/15.

3.23 Most of the arrangements put in place in 2013/14 will remain but the DfE is making some changes that are designed to further standardise the funding formulae that are in operation across the country.

3.24 The key changes being implemented in 2014/15 are as follows:

- Local Authorities (LAs) must ensure that at least 80% of delegated funding is allocated through pupil-led factors.
- The unit rates applied for age weighted pupil units must be set at a minimum of £2,000 for primary aged pupils and £3,000 for secondary.
- The primary low attainment factor will include those pupils who failed to achieve a good level of development in the 2013 assessments. This will only apply to this cohort; for older year groups in the school, there will still be the choice between using the thresholds of 73 and 78 points because they were assessed under the old profile (Brighton & Hove have opted to use 78 points).
- The secondary low attainment factor will now be based on the number of pupils not achieving level 4 in English **or** Maths at key stage 2. This is a change from the 2013/14 year where the measure was based the number of pupils not achieving level 4 in English **and** Maths.

- Local Authorities are now able to set different lump sums for primary and secondary schools. The maximum lump sum has now been set at £175,000. Brighton & Hove is continuing to allocate a lump sum of £150,000 to all mainstream schools.
 - Local Authorities may top slice the DSG to provide a falling rolls fund that may be used to protect schools with falling rolls where a population bulge is expected in the future, but where a good and necessary school currently has surplus places and faces an unmanageable funding shortfall in the short term. Brighton & Hove is not proposing to adopt such a fund but will, instead, should circumstances arise, consider using the schools' contingency budget for this purpose.
 - Specialist Special Education Needs (SEN) places (units and facilities) in mainstream schools, whether filled or unfilled, do not count towards a school's pupil numbers for the purpose of calculating its budget through the funding formula. The change is to avoid double counting.
 - The date for informing mainstream schools of their budget shares is being moved forward from 15 March to 28 February.
- 3.25 In 2014/15, the pupil premium budget will increase from £1.875 billion to £2.5 billion nationally. Schools will receive £1,300 per primary pupil who is currently eligible for free school meals (FSM) or has been eligible for FSM in the past 6 years (FSM 'Ever 6') and £935 for secondary FSM 'Ever 6' pupils.
- 3.26 The government are introducing a higher rate of £1,900 for looked-after children. They are also extending the eligibility criteria to include those pupils who have been in care for one day or more, as compared with the six months in care currently required. Schools will also receive £1,900 for eligible pupils who have been registered on the school census as having been adopted from care or leaving care under a special guardianship or residence order. The service premium will continue to be extended so that in 2014/15, any pupil in reception to year 11 who has been flagged as a service child since 2011 will continue to receive the premium ('Ever 4' measure). The service child premium will be paid to schools at the rate of £300 per pupil.
- 3.27 The budget proposals included in appendix 4 involve some funding changes between the DSG and the General Fund; these changes are in relation to legitimate uses of the DSG and a report detailing the changes has been provided to and agreed at the Schools Forum.

Other Government Grants

- 3.28 The grant allocations for 2014/15 and 2015/16 have been included in appendix 6 with the 2013/14 allocations for comparison. Some grant allocations for next year have not yet been announced and where these are critical to the setting of the 2014/15 budget forecasts have been included.
- 3.29 There are some significant changes in 2015/16 with the ending of the Social Fund grant of £0.75m and a 20% proposed reduction of the Educational Services Grant. A significant number of grants for 2015/16 have not yet been announced.

New Homes Bonus

- 3.30 The New Homes Bonus (NHB) is a funding incentive for local authorities largely to facilitate the building of new homes in their area and bring empty homes back into use. The funding allocation for the fourth tranche was announced in December 2013 and the council will receive £0.680m extra in 2014/15, of this £0.554m is from new properties, £0.112m from a reduction in long term empty properties and £0.014m from affordable homes delivered.
- 3.31 Members are reminded that NHB is funded by top-slicing local authority grant and for the council the loss of RSG due to the top-slice in 2014/15 is approximately £1.75m. So there is a net loss of funding for the council of about £1.1m from the fourth tranche alone.

Fees and Charges

- 3.32 In recent years the consumer price index has been increasing by over 3% per annum whilst the council had applied a standard rate of 2% and over time this difference has been harder to sustain. Fees and charges budgets for 2014/15 are assumed to increase by a standard inflation rate of 2.5% with the exception of parking charges which are planned to remain at 2013/14 levels, and penalty charge notices (parking fines) where the levels of fines are set by government and cannot be changed independently.
- 3.33 The Council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by either: the standard rate of inflation, statutory increases, or actual increases in the costs of providing the service as applicable. Non-statutory increases above the standard rate of inflation and/or changes to concessions or subsidies should be reported to and considered at the relevant service committee. Where appropriate, details of fees and charges changes for 2014/15 have been presented to the relevant service committee prior to Budget Council. In addition, an overarching review of fees and charges has been undertaken to ensure there is no disproportionate or cumulative equality impact of proposed changes to fees and charges on vulnerable, minority or other groups. The results of this review have been included in appendix 13.

Reserves

- 3.34 The working balance is planned to be maintained at £9m over the period of the Medium Term Financial Strategy. The review of reserves and the working balance is included at appendix 7.
- 3.35 The following table shows the projected general reserves position assuming spending is in line with the latest projections for 2013/14 shown in the TBM month 9 report.
- 3.36 The table includes the release of specific reserves to support the 2014/15 budget with allocations identified in paragraph 3.39.

Table 6 – General Reserves	2013/14
	£'m
Unallocated general reserves at 1 April 2013	0.160
Estimated Collection Fund surplus for 2012/13 and 2013/14	1.887
Estimated net refund of Revenue Support Grant in 2014/15 to reflect that the top slice for New Homes Bonus funding in the national grant settlement was overestimated by the Government	0.176
Release funds from the Waste PFI reserve instead of taking a recurrent £0.1 m saving	1.560
One off pay and pension provision within the 2013/14 budget	1.900
Release all remaining reserves for equal pay and pay modernisation	1.900
Total Resources	7.583
Commitments	
TBM Month 9 forecast overspend (incl. share of NHS S75 services)	-0.939
Fund part year effect of 2014/15 savings	-0.899
Fund part year effect of additional VFM savings	-0.250
Saltdean Lido matched contribution	-0.020
WW1 Remembrance	-0.020
Rugby World Cup	-0.200
Top up restructure and redundancy reserve for liabilities in 2014/15 and future years	-1.000
Funding set aside for the Local election in 2015	-0.250
Earmark funding for Pension fund as set out in triennial review	-0.249
Estimated one off funding for a new Business Rates system	-0.100
Balance of one-off resources	3.656
Allocations for 2014/15:	
Implementation funding for Adult Social Care reforms	-0.500
One off risk provision	-1.500
Additional contribution to Modernisation Fund 2014/15	-0.350
Contribution to the Modernisation Fund 2015/16	-0.700
ICT short term resources for contract pressures	-0.300
Balance of reserves available – Base position	0.306

3.37 The one off resources available reflect the latest projection of the Council's element of the collection fund surplus. The planned £0.100m recurrent saving relating to the Waste PFI reported in the December Budget report has been switched to release one off resources from the Waste PFI reserve instead. The 2013/14 TBM position includes an earmarked £1.9m for potential pay related matters and this is released to support the allocations, principally the top up of the restructure and redundancy reserve. Provisions for any remaining liability for single status and pay modernisation have been identified and the remaining reserves of £1.9m can now be released to support the budget.

3.38 The table above includes the following commitments : -

- The month 9 forecast overspend of £0.939m will need to be financed from one off resources.
- The budget proposals included in appendix 4 require one off resources of £1.149m because the lead-in times, primarily due to consultation requirements, mean that not all the proposed savings for 2014/15 can be delivered from 1 April 2014.
- The Saltdean Lido report to Policy and Resources Committee in December 2013 committed a £0.020m contribution towards the Saltdean CIC's redevelopment project to match the contribution by Lewes DC.
- An allocation of £0.020m to support events to mark the start of WW1 including an enhanced Armed Forces Day and Remembrance Day.
- Policy & Resources committee on the 29th November 2012 approved a commitment of £0.2m to support the Rugby World Cup 2015 bid.
- The restructure and redundancy reserve was used in 2013/14 to support the voluntary severance scheme (VSS) and needs to be topped up with £1.0m to support savings and service redesigns in 2014/15 and future years
- £0.25m set aside to fund costs of the local elections in 2015. This reflects the expected lower costs as it will occur at the same time as the General Election.
- Set aside £0.249m for a one off contribution to the pension fund as recommended in the triennial review.
- The Business Rates Retention forecast 2014/15 presented to Policy & Resources on the 16th January 2014 highlighted the need for a replacement Business Rates computer software system and £0.1m has been set aside to support its implementation.

3.39 The allocation of the remaining resources for 2014/15 are proposed for the following reasons:

- The scale of the Adult Social Care reforms, in particular to implement the Care Bill and the lack of certainty about the adequacy of funding to support those changes mean that one off resources have been set aside as part of this budget setting process to support the changes. This is explained in more detail in appendix 5.
- A one of risk provision has been set aside to address one off or short term risks to the council's budget not identified at budget setting time.
- The resources set aside so far for the Modernisation Fund are fully committed in 2014/15. Further expansion of the VfM programme will require additional one off investment in workforce development and training to support the culture change aspects of the Modernisation programme. In addition, the refresh of the VFM programme and the longer term aim to deliver further vfm savings will require planned investment in managing this programme. £0.7m has been set aside for 2015/16 to provide certainty of

funding and this funding could be brought forward depending on the timing of business cases.

- Budgets for certain ICT contracts are currently insufficient. These are being formally reviewed with a view to considering a different sourcing model. Short term resources have been identified to bridge the gap while those options are explored and the financing will need to be revisited in 2015/16.

Expenditure Estimates

Latest position in 2013/14

- 3.40 The Month 9 Targeted Budget Management (TBM) report elsewhere on the agenda shows a projected overspend of £0.753m on council controlled budgets and an estimated £0.186m share of the projected overspend of NHS controlled s75 services. The overall position is a significant improvement since month 7 was presented to Policy & Resources Committee. This is mainly driven by improvements to the spending forecasts for Adults Social Care and Environment, Development & Housing directorates.

2013/14 Adjusted Base Budget

Internal Transfers and Other Adjustments

- 3.41 Internal transfers relate to changes in responsibility between services and corporate budgets. In 2013/14 the main transfers consist of the change in accounting for corporate insurance from a centrally held budget to services and the transfer from property rents within Finance and Resources to financing costs. The latter is to reflect the use of the capital receipt from the American Express disposal to offset the loss of rent. Internal transfers also include the realignment of budgets to reflect the outcome of pay modernisation and the transfer of the accelerated service redesign savings.

2014/15 Budget

Analysis of Budget Changes between 2013/14 and 2014/15

- 3.42 The following table shows how the budget has changed since 2013/14.

Table 7: Analysis of budget changes	£ million
Revised 2013/14 base budget	228.1
Pay and Inflation	3.6
Recurrent risk provision	1.0
One off Risk Provision	1.5
Commitments & Reinvestment	-2.5
Demographic and cost service pressures	6.5

Table 7: Analysis of budget changes	£ million
Full year effect of 2013/14 savings	-1.2
Savings package 2014/15 (Full year effect £16.7m)	-15.6
Change in use of reserves	3.9
Proposed Base Budget 2014/15	225.3

- 3.43 Appendix 1 shows a detailed breakdown of the proposed budgets and budget changes for each service.

Pay and general inflation assumptions

- 3.44 The budget estimates for 2014/15 assume a 1% increase in employee costs and 0.5% increase in the contribution rate to the East Sussex pension scheme. The living wage commitment and changes to the council's overall pay framework have already been taken into account in the base budget for 2014/15.
- 3.45 The provision for general inflation ranges between 0% and 2% depending on the type of budgeted expenditure; fees and charges are assumed to increase by 2.5% as described in paragraph 3.32 with the exception of parking income and penalty charge notices. Increases in costs above assumed inflation level will be managed through services budget strategies unless the increase is significant and is identified as a corporate service pressure.

Risk Provisions included in the 2014/15 budget

- 3.46 A £1.0m recurrent risk provision and £1.5m one off risk provision has been built into the 2014/15 budget in recognition of the financial risks included within the overall budget package. This is in line with the recommendations of the Chief Finance Officer as set out in section 6 of this report.

Commitments and Reinvestment

- 3.47 Details of the commitments and reinvestment in services in addition to the one off allocations from reserves are shown below
- £0.10m reinvestment into Major Projects support to put budget on a more sustainable basis and release pressure on the capital programme;
 - £0.02m recurrent funding to support the Greater Brighton Economic Partnership
 - £0.27m recurrently for the concessionary fares budget.
 - £0.22m to maintain the Council Tax Reduction Scheme after the loss of transitional funding.
- 3.48 These allocations are offset by a reduction in the pay modernisation provision of £0.53m as the scheme is now implemented; additional unringfenced grants of £0.68m for New Homes Bonus and an additional £1.90m over the 2013/14 allocation of S31 grants from government to compensate the loss of Business Rates income as a result of government announcements.

Investment in Preventative Services

- 3.49 Investment in preventative services has again been protected as far as possible recognising that to withdraw investment is likely to lead to greater medium and longer term costs. This includes no reductions in support for carers; no changes to eligibility criteria across social care; and carefully managed efficiency savings across other areas including Supporting People, and Children's and Adults Social Care (via the VFM programmes). The investment in support for the Stronger Families, Stronger Communities initiative and efforts to more closely align the substantial ring-fenced Public Health budget with other preventative services will also support innovation. Impacts of government grant reductions, including reductions in grants to the community & voluntary sector, are, wherever possible, managed through efficiency, identifying alternative provision or re-commissioning services across partnerships and Public Health to ensure minimal impact on preventative work.
- 3.50 There will also be substantial additional investment through the implementation of the Better Care Fund which is focused on greater integration of services with health, reducing acute care costs and episodes, and improving availability of and access to services as detailed in appendix 5. Service pressure investment in Children's Services also includes approximately £0.400m to continue support for Early Help strategies and initiatives which are proving to be effective and reduce overall care pathway costs.
- 3.51 Other aspects of the revenue budget strategy and capital investment programme also support preventive strategies. For example, proposed investments in housing including Extra Care Housing development. Consideration is also given to preventative impacts in fees and charges proposals, for example, the freezing of Carelink charges to ensure no impact on the take-up of this preventive service.

Service Pressures

- 3.52 The budget estimates for priority service pressures have been reviewed since December and the proposed allocations for demographic growth and other service pressures are £6.508m. The funding to cover reductions in unringfenced grants which has reduced from £0.500m to £0.423m following the announcement of the local government settlement and the funding for Homelessness has been amended to reflect the reduction in savings for this area. The current trends on the council's corporate critical budgets have been taken into account in determining levels of service pressure funding. An additional £1.0m funding has been allocated to Adult Services to reflect the underlying activity levels on the Community Care Budget. The detailed allocation of Service Pressures funding is set out in the General Fund Budget Strategy at appendix 3.

Budget Strategies and Savings

- 3.53 The 2014/15 gap was £2.48m when reported to December Policy & Resources and this has now been closed. A summary of the changes made to the budget proposals since December is given in appendix 2. This means the overall full year savings requirement is £16.74m and the part year savings are £15.6m.

- 3.54 The overarching Budget Strategy including Value for Money is included in appendix 3. Details of the service Budget Strategies, how they link to the corporate plan and savings proposals are included in appendix 4.

Staffing Implications

- 3.55 The staffing budget for 2014/15 includes funding for a £7.65 living wage. An assumption of an increase of 1% in pay has been included and 0.5% on the cost of pension contributions has been confirmed from the outcome of the triennial review of the East Sussex Pension Fund.
- 3.56 At this stage in the budget process it is difficult to determine exactly how many staff may be affected by the proposals. A broad estimate is that in 2014/15 an estimated 100-150 posts may be removed from the council's staffing structure as a result of the savings proposals set out in appendix 5. However actual numbers will be dependent on the detailed options proposed and on the results of formal consultation where required. Some of these are already vacant and some will become vacant through normal turnover. Based on previous years' experience this is likely to account for at least half of the posts lost. As in previous years it is planned to minimise the number of staff at risk of redundancy through:
- Controlling recruitment and only making permanent appointments in exceptional circumstances and when all other alternatives have been exhausted;
 - Holding vacancies where possible internally to increase the opportunities for re-deployment;
 - Minimise the use of interim, consultant and agency appointments;
- 3.57 These measures will continue as we work with trades unions and colleagues on the detailed staffing implications.
- 3.58 A Voluntary Severance Scheme will be accessible for staff in service areas subject to planned savings from redesign but there will not be an open scheme across the workforce. This is because it is only a few months since an open scheme was offered and it is felt that a more targeted approach to releasing staff in areas undergoing change is needed at this moment. It is also proposed to retain the previous enhanced terms applied in the 2013 Voluntary Severance scheme for any voluntary severance progressed as part of these budget proposals.

Annual Minimum Revenue Provision (MRP) Statement and Prudential Indicators

- 3.59 The council is required by law to prepare an annual statement on the amount of debt that will be repaid in the following year. The statement for 2014/15 is set out in appendix 10.
- 3.60 The prudential capital finance system introduced in 2004 requires the council to set a number of indicators for affordability, prudence and sustainability. The recommended indicators are set out in appendix 11. Members should note the

indicator for the authorised limit is a statutory limit required to be determined by full Council under section 3(1) of the Local Government Act 2003.

Corporate Budgets

- 3.61 The council budget contains a number of corporate budgets that are monitored and controlled centrally. Details of the main corporate budgets – concessionary fares, insurance, financing costs and contingency are set out in the following sections.

Concessionary Fares

- 3.62 The overall budget for reimbursing local bus operators for the cost of free travel for pensioners and the disabled is forecast to increase by 4.6% to £10.6m next year. The makes provision for the potential outcome of negotiations to extend the fixed deals with the main bus operators that were due to end on 31 March 2014. A report will be brought to this Committee for Members to consider the new fixed deals as soon as negotiations have been completed. The main reasons for the increase are: an inflation increase of 2.9%; and an increase in the overall number of trips reflecting the introduction of new routes to Crawley, a new service in the spring from Brighton Station and along the seafront and increased usage of the services along the coast towards Worthing and Portsmouth.

Insurance

- 3.63 The costs of insurance have now been recharged in full to service budgets so the corporate budget reduces to zero. The total amount recharged in 2014/15 of £3.1m represents a 2.9% reduction in costs over the previous year and covers both the cost of insurance premia and the net cost of meeting successful claims against the council paid during the year. The council successfully retendered the bulk of its insurance cover in March last year delivering the £0.3m anticipated savings built into the budget for 2013/14. A further reduction of £0.1m has been built into the budget for next year to reflect lower payments on claims based on current trends.
- 3.64 Over the medium and longer term there is a significant risk that claims experience across the country this year arising from severe weather will add to future premia costs. In addition officers are aware that a number of councils have faced significant increases in public liability premiums following a reassessment of the way insurance companies are calculating risk. The council could face an increase from 1 November which would need to be covered from the overall risk provision in contingency.

Financing Costs

- 3.65 The financing costs budget reflects the cost of financing the council's capital investment plans. The council has a fully funded capital programme in 2014/15 depending on the achievement of certain capital receipts and the costs of funding the programme are provided for in both the general fund and housing revenue account revenue budgets.

- 3.66 The financing costs budget for 2014/15 is forecast to be £8.9m, a decrease of 4.2% on the adjusted base for the current year. This is due to a £0.3m reduction in anticipated general fund borrowing costs and £0.1m from higher investment income. The reduction in borrowing costs reflects the fact that the council has not undertaken any new borrowing in 2013/14 and has instead used reserves to finance the capital programme as the loss of investment interest is far less than the saving achieved by not borrowing. Over time the council will need to borrow either when the reserves have been used or earlier when money market conditions are right. An estimate of these costs has been built into future projections however they should be more than offset by higher levels of investment interest as projected short term interest rates rise. The increase in investment income largely reflects better than anticipated cash flows and a modest increase in investment performance.

Contingency

- 3.67 The council's contingency budget includes provision for costs which are likely to occur but for which the estimated cost cannot be adequately foreseen at this stage, for example for pay. It also includes risk provisions and other resources awaiting transfer to services. The proposed contingency for 2014/15 is £4.37m as detailed in table 8.

Table 8: Contingency	£ million
Corporate recurrent risk provision	1.00
Corporate one off risk provision	1.50
Pay provision for remaining pay modernisation changes	0.11
Modernisation fund to support the VFM programme 2014/15	0.70
Implementation funding for Adult Social Care reforms	0.50
ICT short term resources for contract pressures	0.30
Council tax reduction grant for Parish/Garden Committees	0.01
Resources to cover the impact of awaited government announcements on grants	0.15
Service Pressure funding for electricity and gas	0.10
Total Contingency	4.37

Change in use of reserves

- 3.68 The budget strategy for 2014/15 draws on reserves to provide one off risk provisions; temporary funding to cover the part year effect of the savings package and investment in the delivery of savings for future years.

4. COUNCIL TAX AND REFERENDUM

- 4.1 The minority Green Administration are proposing a council tax increase of 4.75% which will trigger a referendum. Detailed proposals showing how the additional resources generated by the higher council tax will be used are given in appendix

17 which also includes proposals for a substitute budget and estimates of the additional one-off costs associated with the referendum. A council tax increase of 4.75% results in a band D council tax of £1,348.11 an increase of £61.11 on this year.

- 4.2 A threshold increase of 1.97% in the council tax results in a band D council tax for the city council element of the council tax of £1,312.35 an increase of £25.35 on this year which could be subject to change depending on the final guidance from CLG in relation to the treatment of levies.
- 4.3 In order to propose an overall council tax for the city the council taxes of the precepting authorities need to be known. The Police and Crime Commissioner for Sussex is proposing a council tax increase of 3.6% with the band D council tax increasing to £143.42 for 2014/15, or the maximum permissible under Central Government referendum principles, whichever is lower. East Sussex Fire Authority is due to set their 2014/15 Band D council tax on the 14 February 2014. The budget for Rottingdean Parish will be agreed shortly.

Supplementary Budget report to Budget Council

- 4.4 Not all the budget and council tax information needed to set the budget and council tax is available at present therefore additional information will be need to be provided for Budget Council. This will include:-
- Any other grants that are announced before Budget Council.
 - The Environment Agency levy figure agreed for 2014/15 and any changes to the budget and council tax calculation resulting from the levy.
 - The agreed council tax set by Sussex Police Authority, East Sussex Fire Authority and Rottingdean Parish.
 - The statutory council tax calculations required under the 1992 Local Government Finance Act.
 - The full budget and council tax resolution for Budget Council.
 - Feedback from the business ratepayers meeting held on 11 February.

5. MEDIUM TERM FINANCIAL STRATEGY AND RISK ASSESSMENT

- 5.1 The Medium Term Financial Strategy (MTFS) set out in appendix 8 shows the revised resources and spending projections for 2014/15 to 2019/20. The financial projections show that proposals need to be developed to address a budget gap of nearly £90m over the 5 year period from 2015/16 onwards. The section after the projections outlines how this might be achieved.
- 5.2 All the projections are based on the best information currently available and further work has been undertaken to refine the projections and provide Members with graphs showing trends on key indicators. However, in the current financial climate and with national elections in 2015 there are many uncertainties. The risk assessment set out in appendix 9 explains in more detail the uncertainties facing the budget.

6. REPORT OF THE CHIEF FINANCE (SECTION 151) OFFICER UNDER SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003

6.1 Section 25 of the Local Government Act 2003 requires the Chief Finance (Section 151) Officer of a local authority to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. This report has to be considered by Policy & Resources Committee and the full Council as part of the budget approval and council tax setting process. The budget reports on this agenda are focused on the General Fund Revenue Budget 2014/15 and the Capital Programme. It also considers key medium term issues faced by the council.

Robustness of Estimates

6.2 There is inevitably an element of judgement as budget estimates of spending and income are made at a point in time and may change as circumstances change. This statement about the robustness of estimates cannot give a 100% guarantee about the budget but gives the council reasonable assurance that the budget has been based on the best information and assumptions available at the time.

6.3 In setting the budget for 2014/15, current expenditure trends and service demands have been considered by the Executive Leadership Team and Corporate Management Team. The budget for 2014/15 has therefore been set taking into account the trends in the TBM 9 report and further projections of future demand and cost. While Children's Services are showing an underspend in 2013/14 and have been successful in achieving their Value for Money targets the corporate critical agency placements budget will need close monitoring. The focus on the Early Help Strategy should help ensure that this expenditure shows ongoing reductions. Adult Social Care is showing a significant overspend in 2013/14 although that has reduced somewhat during the course of the year, partly from one off rather than recurrent measures. Unachieved savings are a key contributor to that overspend and there remain challenges to delivery of those next year. The one off risk provision of £1.5m is included in the budget to provide some short term cover against those unachieved savings if needed in 2014/15. Service pressure funding has been allocated in the budget to cover projected trends in demand including for example Learning Disability transitions. The underlying pressures on the Community Care budget based on the TBM 9 forecast mean that an additional £1m recurrent service pressure funding has been added to the Adult Social Care budget bringing the total to £2.5m. At this stage no assumptions have been made about the success of the Better Care Fund at reducing pressure on the Community Care Budget in addition to the already proposed savings targets.

6.4 The council has demonstrated its ability to continue to deliver very challenging savings programmes. The successful VFM programme has been backed by substantial investment particularly in project management capacity to underpin its delivery and ensure a particular focus on tracking cashable savings. For this reason there is additional one off investment included in this budget package for the implementation of the next phase of the VFM programme over the next two years. Without this investment it is considered that the planned level of VFM savings will not be achievable.

- 6.5 A recurrent risk provision of £1m is included in the budget to guard against any risks not known at budget setting time including risks associated with the successful implementation of the wide-ranging savings package, in particular the demanding new targets for Adult Social Care VFM programme. In total this brings the one off and recurrent risks provisions to £2.5m, compared with £1.5m in 2013/14.

Adequacy of Reserves

- 6.6 The recommendation on the prudent level of General Fund working balance has been based on the robustness of estimates information and a risk assessment of the budget.
- 6.7 The analysis indicates a continuation of an underlying prudent level of working balance of £9m (excluding school balances). This represents 4.0% of the council's net revenue budget excluding schools. There is undoubtedly greater financial risk in the new business rates retention system than in the previous funding model, particularly as a result of the appeals process. However we are mindful of the need to keep reserves as low as possible and the value of successful appeals in 2013/14 was lower than had been experienced in the previous year.
- 6.8 All specific reserves have been reviewed in detail to ensure that they are set at an appropriate level. This is set out in appendix 7. Many of the council's earmarked reserves fulfil a specific legal or financial requirement, for example the Insurance Reserve. A significant reduction in the Waste PFI reserve has been made as a result of the finalisation of the sharing agreement for income from electricity and commercial waste.

Assurance Statement of the Council's Section 151 Officer

- 6.9 In relation to the 2014/15 general fund revenue budget the Section 151 officer has examined the budget proposals and believes that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given political and management will to implement the changes, good management, and the sound monitoring of performance and budgets. The council also has a good record of managing other potential financial risks that arise from time to time which provide assurance that it can proactively manage risks such as external legal challenges, capital cost variances and treasury management risks.
- 6.10 In terms of the adequacy of reserves, the Section 151 officer considers a working balance of £9m to be adequate taking into account other reserves, the risk provisions and the council's track record in budget management.

7. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 7.1 The budget process allows all parties to put forward viable alternative budget and council tax proposals to Budget Council on 27 February 2014. Budget Council has the opportunity to debate both the proposals recommended by Policy & Resources Committee at the same time as any viable alternative proposals. All budget amendments must have been "signed off" by finance officers no later than 12 noon on Monday 24th February 2014.

8. COMMUNITY ENGAGEMENT, CONSULTATION AND SCRUTINY

8.1 The results of the consultation and engagement processes are shown in appendix 15. In addition further meetings were held with the Older People's Council, Youth Council, Community Works and the Schools Forum. Consultation with the representatives of Business Ratepayers must be based on budget proposals and is taking place after publication of this report and the feedback will be included in the final report to Budget Council.

8.2 In addition to formal consultations, there have been a range of engagement events designed to facilitate understanding of the council's overall budget position and obtain general feedback on proposals. These included:

- The Schools Forum where a report on the potential areas of interest and impact of the General Fund budget proposals were discussed at a meeting on 20 January 2014.
- The Older People's Council where a range of technical questions about the council's funding position were explored and a second meeting was held to explore Adult Social Care proposals in more depth.
- An event for Business Ratepayers representatives on 11 February 2014 will provide the opportunity to explain in more detail changes to Business Rates in 2014/15 following government announcements and how the budget proposals and current initiatives continue to support economic activity in the city. This follows engagement earlier in the year with the Economic Partnership.
- Consultation and engagement with Community Works in developing proposals, particularly in Children's Services, and through co-opted representation on the Budget Scrutiny Panels.
- A cross-party roundtable meeting with Trades Unions.
- Departmental Consultative Groups (DCGs) which provided an opportunity for further consultation with Trades Unions.

8.3 The consultation and engagement activity influenced the original budget proposals published in December for example through applying no inflationary increase to parking charges and protecting as far as possible spend on the public realm. There are clearly a range of views held about appropriate council tax levels. Some of the changes proposed in this report and summarised in appendix 2 flow from further feedback since the proposals were published including consideration of the Budget Scrutiny Panel's recommendations. These include:

- concerns about the scale of savings in Adult Social Care which have led to the removal of the original proposal in relation to homecare, a reduction in the saving for the Able & Willing service subsidy and greater lead in times for the savings on the Learning Disability Community Care budget. The proposals for a 4.75% council tax set aside a significant proportion of the additional resources to reduce the required savings in Adult Social Care;
- provision of sufficient funding to enable the homework clubs in libraries to guarantee they can continue to the end of the current school year;

- minor changes to savings in Children's Services to ensure equal impact on council and community & voluntary sector service provision;
- the removal of a saving for homelessness prevention with a compensating reduction in service pressure funding.

8.4 The full response to the scrutiny report is shown in appendix 16.

9. CONCLUSION:

9.1 The council is under a statutory duty to set its budget and council tax before 11 March each year. The recommendations to Budget Council contained within this report together with the recommendations to follow in the supplementary report to full Council, should enable the council to meet its statutory duty.

10. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

10.1 These are contained within the main body of the report.

Finance Officer Consulted: Mark Ireland

Date: 5 February 2014

Legal Implications:

10.2 Policy & Resources Committee is responsible for formulating budget proposals for adoption by the council. Power to adopt the budget is vested in Full Council alone.

10.3 For these purposes, the "budget" includes the allocation of financial resources to different services and projects, proposed contingency funds, and setting the council tax.

10.4 The provisions requiring local authorities to conduct referendums over the setting of excessive Council Tax were introduced through amendments made by the Localism Act 2011 to the Local Government Finance Act 1992. These provisions replaced powers previously held by the Secretary of State to set limits for Council Tax. Section 52ZB of the Local Government Finance Act 1992 requires a billing authority to determine whether its relevant basic amount of council tax is excessive. If the amount is excessive, the billing authority is required to hold a referendum, with a view to applying an alternative amount if the excessive amount is rejected in a referendum.

10.5 The determination of whether a relevant basic amount of council tax is excessive must be made in accordance with principles determined by the Secretary of State and approved by resolution of the House of Commons. The Department for Communities and Local Government (CLG) has already made it known that for the 2014/15 financial year it is expected that an increase of more than 2% will be regarded as excessive. Therefore, local authorities opting for an increase of more than 2% will be expected to hold a referendum. However, they still need to make the required determination once the principles have been approved by the House of Commons.

- 10.6 Usually any authority which does need to hold a referendum must do this by no later than the first Thursday in May. The Secretary of State is able to specify a different date as the latest date for a referendum, and in 2014 the latest date is 22 May. This is also the date of the European elections. It is possible for an authority to hold a referendum earlier than that, but it would need to work out a timetable that allows it to make the required determination and comply with the notice requirements. If an authority that is required to hold a referendum does not do so when it is required, the authority's substitute calculations will come into effect.
- 10.7 The Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012 impose various requirements as to the conduct of the referendum, including the wording of the question to be put to eligible voters.

Lawyer Consulted: Oliver Dixon

Date: 4 February 2014

Equalities Implications:

- 10.8 The process for assessing the equalities implications of the budget changes for 2014/15 and an assessment of the cumulative impact is shown in appendix 12. All the Equalities Impact Assessments are included at appendix 13.

Sustainability Implications:

- 10.9 A carbon budget has been set for 2014/15. This shows the level of spend on energy and the estimated carbon emissions across each carbon budget area and includes a planned 4% reduction in 2013/14 and again in 2014/15. This modest target will be challenging to meet on the basis of the current approach to carbon management.
- 10.10 Carbon budgets provide the organisation with a framework of accountability for reducing carbon emissions from our buildings, street lights and fleet. They were first introduced in 2012/13 and supported by actions plans that set out how carbon budgets are to be achieved and these plans are reviewed and challenged once a year. The council spends around £7.5m each year heating and lighting its buildings, lighting our neighbourhoods and travelling around the city to deliver key services. With rising energy and fuel prices and the purchase of annual Carbon Reduction Commitment allowances, the business case for reducing carbon emissions is clear.
- 10.11 To make significant savings in carbon emissions a different approach is required and the One Planet Zero Carbon approach provides a fresh focus to carbon management. Energy efficiency scoping work is underway for a set of key corporate buildings to help identify a programme of investment. Planned maintenance programmes for corporate and school buildings each year address key energy saving initiatives including oil to gas conversions and improvements to insulation. Housing's rolling investment programme for communal lighting and lifts continues to improve the overall efficiency of buildings. In addition there will be long term investment in more energy efficient street lighting funded from Local Transport Plan resources. There will be a clear focus placed on reducing carbon emissions from buildings through the Workstyles phase 3 programmes

reducing both the total number of buildings occupied by the council and also ensuring improved energy efficiency in the retained buildings.

- 10.12 The Council's 2012/13 Carbon Reduction Commitment footprint accounted for 23,452 tonnes of CO² from council buildings for which the council purchased £0.281m worth of CRC allowances at £12 per tonne. This was 275 tonnes less than in 2011/12. From 2014/15 allowances will rise to £16 per tonne.
- 10.13 Non half-hourly electricity prices increased by 15% at the beginning of April 2013, half-hourly electricity and gas prices increased by 10% and 7%, respectively, in October 2013.
- 10.14 The Council's carbon budget data update is detailed in appendix 14 and profiles the spend and CO² carbon footprint for 2012/13 across the council and sets out the targets for 2013/14 and 2014/15.

SUPPORTING DOCUMENTATION

Appendices:

1. Movements in Block Allocations 2013/14 to 2014/15
2. Changes in the budget projections since the 5 December 2013 budget report to Policy & Resources Committee
3. General Fund Budget Strategy
4. Budget Strategy for each main budget area and detailed savings proposals 2014/15
5. Adult Social Care Reforms and Better Care Fund
6. Summary of special and specific grant allocations for 2013/14, 2014/15 and 2015/16
7. Review of the Council's reserves including the planned use of reserves
8. Summary of the Medium Term Financial Strategy 2014/15 to 2019/20
9. Assessment of Risks
10. Minimum Revenue Provisions statements
11. Prudential Indicators 2013/14 to 2015/16
12. Equalities Impact Assessment – Cumulative impact
13. Equalities Impact Assessment – Individual
14. Carbon Budget for 2014/15
15. Summary report Budget Consultation
16. Minutes of the Overview and Scrutiny Committee and the recommended response
17. Referendum Budget

Documents in Members' Rooms

1. None

Background Documents

1. Budget files held within Financial Services and Strategic Finance.
2. Consultation papers