

**Budget 2015/16
Report of the County Treasurer**

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect

Recommendations:

It is recommended that:

- (i) The anticipated timing of the Provisional Settlement be noted;
- (ii) The revenue spending targets for 2015/16 as set out in paragraph 6 are approved;
- (iii) Members agree that the Capital Programme is determined by Cabinet on 13th February 2015.

Introduction

1. The Secretary of State for Communities and Local Government has yet to announce the Provisional Local Government Settlement for 2015/16. The exact date of the announcement is not known, but is anticipated around the 16th or 17th December. The lateness of the Provisional Settlement is linked to the Chancellor's Autumn Statement moving from November to December.
2. The level of Council Tax increase that will trigger a referendum is not known at this time and may not be known until late January or early February.
3. The timing of the Final Settlement is also not known but if events follow the same pattern as last year then the Final Settlement should be received in sufficient time for consideration at the scheduled budget meetings in February.

The Autumn Statement

4. Members will be aware that George Osborne, the Chancellor of the Exchequer, presented his Autumn Statement to the House of Commons on the 3rd December. Key announcements relevant to the Authority are outlined below:
 - 4.1. The government will seek a further £10 billion of public sector efficiency savings by 2017/18. This will be led by the Cabinet Office, working with HM Treasury and Departments. The impact of this on Local Government funding is not known;
 - 4.2. To embed joint planning in health and social care further, and to build on the Better Care Fund, the government commits to giving local authorities and clinical commissioning groups indicative multi-year budgets as soon as possible after the next Spending Review. The government will also work towards enabling greater multi-year certainty in funding for schools;

- 4.3. The doubling of the Small Business Rate Relief and the 2% cap on the RPI increase in the business rates multiplier are to be extended to April 2016. Increase of the £1,000 business rates discount for shops, pubs, cafes and restaurants with a rateable value of £50,000 or below to £1,500 in 2015/16. The authority is currently compensated for the impact these initiatives have on the retained element of local business rates; the governments future intentions are not stated; and
- 4.4. The government will carry out a review of the future structure of business rates to report by around March 2016. The review is intended to be fiscally neutral and consistent with the government's agreed financing of local authorities.
5. The Local Government Association believes that local services will not face additional cuts over and above those already announced for 2015/16.

2015/16 Targets

6. As the Provisional Settlement has not been received there is inherent uncertainty. The proposed targets outlined below are based on the Provisional Settlement being broadly in-line with the indicative settlement received in February. If the provisional Settlement varies significantly from expectations there may be a need to bring a further report to the Cabinet meeting in January.
7. The proposed targets are set out in the following table:

	2014/15 Adjusted Budget*	Removal of One Off Budgets	Inflation	Pressures	Reductions /Savings	2015/16 Target Budget	Change
	£000	£000	£000	£000	£000	£000	%
People Services	313,496		8,659	7,335	(32,111)	297,379	-5.1%
Place Services	108,248	(540)	1,849	898	(9,284)	101,171	-6.5%
Corporate Services	42,432		1,230	20	(4,541)	39,141	-7.8%
	464,176	(540)	11,738	8,253	(45,936)	437,691	-5.7%

* Adjusted for permanent virements

8. The Capital Programme for 2015/16 to 2019/20 will be presented to Cabinet at the February meeting.

Mary Davis
County Treasurer

Electoral Divisions: All
Cabinet Member: Councillor John Clatworthy
Local Government Act 1972: List of Background Papers
Autumn Statement 2014
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