

GENERAL FUND REVENUE BUDGET 2015/16**1.0 Summary**

The recommended revenue estimate and net budget requirement for 2015/16 is £6,468,574. This is based on the individual committee budget recommendations made at meetings during January and February 2015.

The level of council tax that is ultimately set as a result of this estimate will be influenced by how much of the General Fund Reserve is used in the year. The effect of the recommended budget is set out below.

	£
Net Revenue Budget	6,468,574
Use of General Fund Reserve	0
Budget Requirement	6,468,574
Less RSG/NNDR Contribution	(2,486,824)
Council Tax Freeze Grant	(38,290)
New Homes Bonus	(317,765)
Other General Grants	(373,216)
NNDR Deficit	173,618
Council Tax Surplus	(42,900)
To be Raised from Council Tax	3,383,197
Council Tax Base	16,698.90
Band D Equivalent	202.60
Rise on 2014/15 (%)	0
Effect on General Fund Reserve	
Estimated Balance as at 1st April 2015	947,863
Use of Reserves in the Year	0
Estimated Balance as at 31st March 2016	947,863

A more detailed analysis of the net revenue budget is shown at Annex 1.1.

2.0 Key Budget Issues**2.1 External Support from Government**

The following table sets out the external support figures for 2014/15 and the previous two years:

Financial Year	RSG/NNDR Contribution		
	Amount	Increase/(Decrease)	
	£	£	%
2013/14	2,859,674	(458,997)	(12.7)
2014/15	2,774,279	(296,698)	(9.4)
2015/16	2,486,824	(287,455)	(10.3)

2015/16 is the third year of the Local Council Tax Support Schemes (LCTS) and the retention of business rates locally and they are now fully established. As can be seen from the table above there has been a reduction of funding of £287,455 when compared to this financial year (2014/15).

To supplement the funding above for this year the Council will also receive the following grant funding:

- A Council Tax Freeze Grant of £38,290 on the condition that there is no actual rise for tax payers in the year. Grant of this nature for previous financial years has now been included in the funding shown above.
- New Homes Bonus of £317,765 which is calculated based on year on year increases in properties on the Council Tax base less vacant properties.
- Other grants including Section 31 Grant to compensate for additional reliefs given by central Government to small business rate payers.

2.2 Major Budget Changes

The budget strategy for 2015/16 approved by Policy, Finance and Development Committee in October 2014 highlighted the following key issues that would impact on this budget:

- Current financial position including working balances and level of reserves
- The local government finance settlement
- The review and revision of the business rates pooling situation
- The review and revision of our Local Council Tax Support Scheme
- Any further advancements in Welfare Reform (Universal Credit)
- Limits locally on New Homes Bonus funding
- Availability of capital resources and prudential indicators

- Housing Revenue Account (HRA) and the impact of self financing and rent convergence.
- Transformation of services

As well as the above issues, the following major additional budget pressures on services have been incorporated within the 2015/16 estimates.

- Reductions in fees and charges income on items such as pest control and commercial recycling
- Staff costs will increase due to a planned increase in employer's contributions to the superannuation fund and a cost of living increase in pay rates.
- An increase in the net cost of benefits

To mitigate these additional spending pressures and reductions in external support, the following key measures have been incorporated within the 2015/16 estimates.

- A new green waste scheme
- The let of a new leisure management contract that will save the Council over its 20 year life a total of £3.6million compared to the previous contract.
- Transport savings through the changes in procurement and financing of new vehicles.
- The review of corporate management charges to the Housing Revenue Account
- A reduction in the cost of the ICT contract.
- Other savings and efficiencies across support services.

2.3 Reserves

The detail of the Council's reserves position is shown at Appendix 4.

2.4 Risks to the Budget

A detailed risk management review is shown at Appendix 5

