

GENERAL FUND REVENUE BUDGET 2014/15**1.0 Summary**

The recommended revenue estimate and net budget requirement for 2014/15 is £6,601,514. This is based on the individual committee budget recommendations made at meetings during January and February 2014.

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	6,601,506
Use of General Fund Reserve	0
Budget Requirement	6,601,506
<u>Less</u> RSG/NNDR Contribution	(2,774,279)
Council Tax Freeze Grant	(165,740)
New Homes Bonus	(238,479)
Council Tax Surplus	(87,855)
To be Raised from Council Tax	3,335,153
Council Tax Base	16,461.76
Band D Equivalent	202.60
Rise on 2013/14 (%)	0
Effect on General Fund Reserve	
Estimated Balance as at 1st April 2014	788,046
Use of Reserves in the Year	0
Estimated Balance as at 31st March 2014	788,046

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	Formula Grant		
	Amount £	Increase/(Decrease) £	%
2012/13	3,156,372	(458,997)	(12.7)
2013/14	2,859,674	(296,698)	(9.4)
2014/15	2,774,279	(85,395)	(3.0)

2014/15 is the second year in which the Local Council Tax Support Schemes (LCTS) and the retention of business rates locally will operate. As can be seen from the table above there has been a reduction of £85,395 from the previous year for the grant.

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

- A Council Tax Freeze Grant of £165,740 on the condition that there is no actual rise for tax payers in the year.
- New Homes Bonus of £238,479 which is calculated based on year on year increases in properties on the Council Tax base less vacant properties.

2.2 Major Budget Changes

The budget strategy for 2014/15 approved by Policy, Finance and Development Committee in October 2013 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 2014/15 estimates.

- Reductions in fees and charges income on items such as burial rights and recyclates.
- 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.
- A loss of rental income from the let of office space at Brocks Hill

To mitigate these additional spending pressures and reductions in external support, the following key measures have been incorporated within the 2014/15 estimates.

- Further staff restructuring leading to a £49,000 saving
- The let of a new leisure management contract that will save on average over its 20 year period £180,000 per year.
- Increased income projections for both local land charges and planning application fees of £24,000 and £20,000 respectively.
- 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