

Revenue Budget 2015/16 and Capital Programme 2015/16

Report by Councillor D Finch, Leader of the Council

Enquiries to Margaret Lee, Executive Director for Corporate and Customer Services

1 Purpose of the Report

- 1.1 The report presents information to enable Full Council to consider and approve the revenue and capital budget for 2015/16 – noting the report presents a balanced budget for 2015/16.
- 1.2 The recommendations in section 2 will be moved by the Leader of the Council.
- 1.3 Section 3 contains the details of the movements from those presented to Cabinet in January.
- 1.4 Section 4 contains recommendations agreed by Cabinet now superseded by those in Section 2.

2 Recommendations to the Council

Revenue and Capital Budget: the following are recommended to Full Council for approval:

- 2.1 The net revenue budget requirement to be set at **£869.0 million** (m) for 2015/16 – section 2
- 2.2 The net cost of services to be set at **£925.3m** for 2015/16 – section 2
- 2.3 The total council tax requirement be set at **£539.1m** for 2015/16 – section 2
- 2.4 That council tax freeze grant be accepted and that therefore council tax rates will not change and the Essex County Council element of the council tax for charge for a Band D property in 2015/16 will remain at **£1,086.75**. A full list of bands is as follows:

Council Tax Band	2014/15 £	2015/16 £
Band A	724.50	724.50
Band B	845.25	845.25
Band C	966.00	966.00
Band D	1,086.75	1,086.75
Band E	1,328.25	1,328.25
Band F	1,569.75	1,569.75
Band G	1,811.25	1,811.25
Band H	2,173.50	2,173.50

- 2.5 Full Council approve the council tax for each category of dwelling and the precepts on each of the council tax billing authorities for 2015/16, together with the final tax base, as set out in the table below.

	2015/16 Final Tax Base Band D Equivalent	2015/16 Gross Precept £000's
Basildon	57,381	62,359
Braintree	49,742	54,057
Brentwood	31,156	33,858
Castle Point	29,314	31,857
Chelmsford	62,382	67,793
Colchester	59,547	64,713
Epping Forest	51,196	55,637
Harlow	24,286	26,392
Maldon	23,042	25,041
Rochford	30,226	32,848
Tendring	44,290	48,132
Uttlesford	33,540	36,449
Total For ECC	496,101	539,138

- 2.6 Agree to the proposed total schools budget of **£563.1m** for 2015/16 as set out in Appendix C, which will be funded by the Dedicated Schools Grant.
- 2.7 That the General Balance be set at **£57.9m** as at 1 April 2015 prior to the proposed drawdown of **£3.5m** as prescribed in section 2, and the Executive

Director for Corporate and Customer Services (section 151 officer) statement on the robustness of the estimates and reserves be noted (section 12)

- 2.8 That the capital payments guideline be set at **£272.0m** for 2015/16 and that the Executive Director for Corporate and Customer Services, in consultation with the Cabinet Member for Finance, be authorised to make adjustments to the phasing of payments between years (should that be necessary) as the capital programme is finalised, and to report any impact on the Prudential Indicators at the subsequent quarterly review to Cabinet in July 2015.

Prudential Indicators, Treasury Management Strategy and Minimum Revenue Provision for Debt Repayment Policy - the following are recommended to be submitted to Full Council for approval:

- 2.9 The 2015/16 - 2017/18 Prudential Indicators and limits, together with updated limits for 2015/16 (see Appendices F and G).
- 2.10 The Treasury Management Strategy for 2015/16 (Appendix H).
- 2.11 The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provision policy as set out in Appendix F).

Pay policy - the following is recommended for to be submitted to Full Council for approval:

- 2.12 The Pay policy statement for 2015/16 (Appendix J).

3 Background to the changes to the Cabinet recommendations to Council proposed by the Leader of Council.

- 3.1 The billing authorities are required to provide a final estimate of the council tax base, the deficit/surplus from the prior year, the performance of the local discount scheme and the NDR income on the 31st January. The recommendations within the Cabinet report were based upon the estimates of these figures, before receipt of the final submissions from the billing authorities.
- 3.2 As was mentioned in the report to Cabinet, we are reliant on some information from our district, borough and city partners which was due by 31 January. This information has now been submitted and as a result, additional NDR income of **£0.3m** is now expected. Given the financial challenges the authority faces, and the transformation programme underway, it is proposed that an additional appropriation to the Transformation Reserve is made.

3.3 The table below shows the Cabinet provisional position alongside the position based on final returns from billing authorities:

	Cabinet Jan-15 £m	Council Feb-15 £m	Movement £m
Council Tax Requirement	(539.1)	(539.1)	0.0
Revenue Support Grant	(159.4)	(159.4)	0.0
Non-Domestic Rates	(159.4)	(159.7)	(0.3)
General Government Grants	(52.8)	(52.8)	0.0
Withdrawal from General Balance	(3.5)	(3.5)	0.0
Collection Fund Surplus	(10.7)	(10.7)	0.0
Total Funding	(925.0)	(925.3)	(0.3)
Base Net Cost of Services	925.0	925.3	0.3
Total Expenditure	925.0	925.3	0.3
Surplus/ (Deficit)	0.0	0.0	0.0

4 Original recommendations approved by Cabinet (for reference only), now replaced by recommendations included at Section 2:

- 4.1 *The net revenue budget requirement to be set at **£868.7 million** (m) for 2015/16.*
- 4.2 *The net cost of services to be set at **£925.0m** for 2015/16.*
- 4.3 *The total council tax requirement be set at **£539.1m** for 2015/16.*
- 4.4 *That council tax freeze grant be accepted and that therefore council tax rates will not change and the Essex County Council element of the council tax for charge for a Band D property in 2015/16 will remain at **£1,086.75**. A full list of bands is as follows:*

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- 4.5 *That a schedule be presented to Full Council setting out the council tax rate for each category of dwelling and the precepts on each of the council tax billing authorities for 2015/16, together with the final tax base.*
- 4.6 *Agree to the proposed total schools budget of **£563.1m** for 2015/16 as set out in Appendix C, which will be funded by the Dedicated Schools Grant.*
- 4.7 *That the General Balance be set at **£57.9m** at as at 1 April 2015 prior to the proposed drawdown of **£3.5m** as prescribed in section 4, and the Executive Director for Corporate and Customer Services (section 151 officer) statement on the robustness of the estimates and reserves be noted (section 14).*
- 4.8 *That the capital payments guideline be set at **£272.0m** for 2015/16 and that the Executive Director for Corporate and Customer Services, in consultation with the Cabinet Member for Finance, be authorised to make adjustments to the phasing of payments between years (should that be necessary) as the capital programme is finalised, and to report any impact on the Prudential Indicators at the subsequent quarterly review to Cabinet in July 2015.*
- 4.9 *The delegation of authority to the Cabinet Member for Finance, in consultation with the Executive Director for Corporate and Customer Services, to make any necessary adjustments to the figures to be submitted to Full Council upon receipt of the final tax base and forecast business rates receipts for 2015/16 to be notified to the Council by the respective billing authorities (due by 31 January) and the final capital grant in respect of education from the Department for Education (DfE) due in mid-January.*

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- 4.13 *The Pay policy statement for 2015/16 (Appendix J).*