

The Highland Council

18 December 2014

Agenda Item 11 – Revenue Budget and Council Tax 2015/16

Amended Recommendations

A number of amendments are proposed to the Revenue Budget. These are attached as follows:-

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|----------------|---|
| Annex 1 | Proposed Amendments totalling £0.550m funded by the Use of Balances |
| Annex 2 | Replacement summary sheet for Booklet A showing impact of revised savings proposals |
| Annex 3 | Impact of Proposed Amendments on Budget Report <ul style="list-style-type: none">- Paragraph 4.1- Paragraph 8.1- Paragraph 12.3 |

Members are asked to consider the report, the attached amendments, and:-

- (a) Agree a council tax freeze for 2015/16, with the council tax at Band D for the year being **£1,163**;
- (b) Agree to increase Council Tax on long term empty properties to 200% with effect from 1 April 2015 as detailed;
- (c) Agree the revenue budget for 2015/16 of **£570.938**;
- (d) Agree to accept the Scottish Government settlement package in respect of the council tax freeze;
- (e) Agree the indicative budget outlook for years 2016/17, 2017/18, and 2018/19;
- (f) Note the reserves and balances strategy as set out in Annex 2

Proposed Amendments to 2015/16 Revenue Budget

	£m
Changes to Funding	
Use of Balances - Community Challenge Fund	0.500
Use of Balances - Strategic Change & Development Fund (SCDF)	0.050
Total Changes to Funding	<u>0.550</u>
Changes to Proposed Budget	
Changes to Growth & Pressures	
Investment for implementation of transformation saving WCG/6 (one-off funding from SCDF)	<u>0.050</u>
	<u>0.050</u>
Changes to Savings	
Removal/Partial Removal of Proposed Savings	
D&I/11 : Rangers Service - Remove proposed reduction in seasonal staffing	0.048
C&L/5 : Fostering & Adoption - Remove proposed reduction in subsidy of HLH cards	0.003
C&L/55 : Catering Food Specification - Remove proposed saving	0.123
Deferral/Partial Deferral of Proposed Savings	
CS/28 : Waste Management Social Enterprises - Partial deferral of proposed savings to 16/17	0.050
C&L/42 : Reduced Secondary staffing allocation - Defer proposed savings to 16/17	0.400
Increases to Savings	
CEO/8 : Members' Budget - Additional income through charging (voluntary)	-0.015
PI041 : Treasury Management - Additional savings	-0.059
WCG6 : Social Impact Bonds - Fund one-off investment from SCDF	<u>-0.050</u>
	<u>0.500</u>
Total Changes to Proposed Budget	<u>0.550</u>

2015/16 - 2018/19 Savings Proposals

Service	Savings					Staff Impact
	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	4 Year Total £m	4 Year Total FTE
Finance	1.095	0.626	0.178	0.110	2.009	35.0
Chief Executive's Office	0.263	0.047	0.047	0.042	0.399	2.0
Corporate Development	0.960	0.143	0.143	0.143	1.389	23.0
Development and Infrastructure	1.680	0.281	0.232	0.227	2.420	18.0
Community Services	3.057	1.166	0.618	0.652	5.493	41.0
Care and Learning	5.960	3.869	2.036	0.659	12.524	91.6
Total Service Savings Proposals	13.015	6.132	3.254	1.833	24.234	210.6
Add : Transformation Proposals	3.644	4.053	3.059	7.079	17.835	102.0
Add : Use of Preventative Spend	0.750				0.750	
Total Savings Proposals	17.409	10.185	6.313	8.912	42.819	312.6

2015/16 Savings %	16/17 - 18/19 Savings %
4.1%	3.4%
4.8%	2.5%
4.5%	2.0%
5.7%	2.5%
3.8%	3.0%
2.0%	2.2%
2.8%	2.4%

Impact of Proposed Amendments

Funding

	Original per Para 4.1 £m	Proposed Amendment £m	Revised £m
Grant Funding	456.671		456.671
Council Tax	113.717		113.717
Use of Balances	0.000	0.550	0.550
Total Funding	570.388	0.550	570.938

Proposed Budget

	Original per Para 8.1 £m	Proposed Amendment £m	Revised £m
Base Budget for 2015/16	564.706		564.706
Add : Roll Forward Adjustments	4.143		4.143
Add : Growth & Pressures	19.448	0.050	19.498
Less : Budget Savings	-17.909	0.500	-17.409
Proposed Budget for 2015/16	570.388	0.550	570.938

Staffing Implications

Total staff impact reduced by 1.6 FTE to 312.6 FTE (removal of seasonal staffing reduction from D&I/11).
2015/16 staff impact reduced by 11.6 FTE to 120.6 FTE (removal of seasonal staffing reduction from D&I/11 and deferral of C&L/42).

Savings Proposals 2016/17 - 2018/19

	2016/17 £m	2017/18 £m	2018/19 £m	3 Year Total £m
Savings per original proposals	9.935	6.113	8.912	24.960
<i>Deferred savings included in proposed amendments :</i>				
CS/28 Waste Management Social Enterprises	0.050			0.050
C&L/42 Reduced Secondary staffing allocation	0.200	0.200		0.400
Savings after proposed amendments	10.185	6.313	8.912	25.410

Budget Gap 2016/17 - 2018/19

	2016/17 £m	2017/18 £m	2018/19 £m	3 Year Total £m
Budget gap per original proposals	4.233	6.423	2.545	13.201
<i>Impact of proposed amendments :</i>				
Reverse 2015/16 one-off use of balances to close gap	0.500			0.500
CS/28 Waste Management Social Enterprises	-0.050			-0.050
C&L/42 Reduced Secondary staffing allocation	-0.200	-0.200		-0.400
Budget gap after proposed amendments	<u>4.483</u>	<u>6.223</u>	<u>2.545</u>	<u>13.251</u>

Amended Paragraph 12.3

Proposals for 2016/17-2018/19 amount to £25.410m following the amendments.
Residual budget gap is £13.251m.

	2016/17 £m	2017/18 £m	2018/19 £m
Estimated Roll Forward Budget	583.467	581.820	581.583
Estimated Preventative Spend	3.000	3.000	3.000
Savings Proposals	-10.185	-6.313	-8.912
Estimated Budget Total	<u>576.282</u>	<u>578.507</u>	<u>575.671</u>
Estimated Total Resources	<u>571.799</u>	<u>572.284</u>	<u>573.126</u>
Estimated Budget Gap	<u>4.483</u>	<u>6.223</u>	<u>2.545</u>