

2015/16 Budget - Settlement

The Provisional 2015/16 Finance Settlement was announced on Thursday 18th of December. The most significant element of the Settlement announcement is our **Settlement Funding Assessment** which falls from £176.78m to £151.61m, a drop of £25.2m

New Homes Bonus increases by £2.24m and is granted to compensate for the additional costs the Council is expected to incur as a result of having a higher number of residential properties to provide services for. **NHB allocations** for 2015/16 indicates that our top-slice will be £2.97m for the London LEP Growth Fund

A cut of £310k in Council Tax **New Burdens Funding and Council Tax Support** / Housing Benefit Admin Subsidy

Local Welfare Provision grant funding has been notionally identified as being related to this activity within RSG, this represents a funding cut of circa £800k

A significant increase in funding relates to the **Better Care Fund** (originally heralded as part of the 2013 Spending Review) where we see an increase from £8.97m to £18.20m – an increase of £9.23m. This is not additional funding, rather it is a transfer of (largely) NHS resources into pooled budgets. Alongside the additional resources comes the need to continue to undertake the activities previously carried out by the NHS

Public Health funding is as expected at £31.2m

Not specifically mentioned in the Settlement is another announcement relating to **Education Services Grant (ESG)** which is indicated to fall by around 20% from £1.5m to £1.2m.

Council tax freeze grant will continue in 2015/16 at 1% and the referendum limit remains at 2%



2015/16 Budget – Strategy and Approach

Impact of **settlement** largely as anticipated

Plans in place to also **finance pressures and inflation** (capped), offset by mitigations

Approach has been continuous submission of proposals and review by officers and Members to ensure appropriateness of proposals, rigour and sustainability

Risks will remain with us throughout 2015/16 and will need careful and pro active management

Assumption is very significant further reductions will continue for the foreseeable future which will require further transformational and radical budget proposals

Financial strategy is to:

- Balance recurrent expenditure with estimated income to ensure financial sustainability
- Maintain an appropriate level of reserves
- Risk manage budget estimates
- Investigate funding opportunities that are appropriate for the Council
- Develop financial plans over a medium term of 10 years
- Integrate revenue and capital funding
- Operate to the highest standards of financial management delivering transformational quality and pace

NB – Department budgets will be finalised for the Council meeting on 4th March 2015

