

BOROUGH OF KETTERING

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Report Originator	Strategic Management Team	Fwd Plan Ref A14/041	
Wards Affected	All	18th February 2015	
Title	BUDGET PROPOSALS FOR 2015/16 AND PREPARING FOR THE MEDIUM TERM		

Portfolio Holder – Cllr I Jelley

1. PURPOSE OF REPORT

The purpose of this report is to report back comments that have been submitted during the budget consultation period (to date) to enable the Executive to: -

- a) Reconsider the main budget issues and drivers and consider their impact on the medium term;
- b) Make budget recommendations to full Council for consideration on Wednesday 25 February 2015 in relation to General Fund, Capital Programme and HRA – in particular the level of council tax to be charged for 2015/16. When doing so, members have a statutory duty to consider the medium term projections, issues and any associated risks.
- c) Formally approve the level of council house rents that will be charged for 2015/16.

2. BACKGROUND

- 2.1. The Executive considered a comprehensive report on its initial budget proposals at its meeting of 14th January 2015. The report considered the draft proposals for the General Fund, Capital Programme, and Housing Revenue Account. Members are recommended to refer back to that report for important detailed background to this budget report – although the key budget issues are again referred to in this report, the detail of the budget is not.
- 2.2. The Council's formal budget consultation period has been running since 14th January 2015 and will end on the 25th February 2015 (when the Council formally sets the budgets). The draft budget proposals have been discussed at a number of meetings including the formal Budget Consultation event on 22nd January 2015.
- 2.3. Without repeating all of the detail previously reported in the January report, the 'key issues' section of that report is reproduced at Appendix A for context and ease of reference.
- 2.4. Members will appreciate that the strategies the Council has adopted over the past few years has resulted in the authority being in a much better shape than many

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others. In Kettering, our approach ensured that the Council was able to pro-actively deal with the challenges faced through: -

- ♦ Having high level strategic financial capability (in addition to the council's operational resources);
- ♦ Anticipating and influencing major 'Big Ticket' items;
- ♦ Having a well motivated and flexible workforce that is pro-actively delivering change.

2.5. These have allowed us to develop and deliver the strategies necessary to deal with changing financial circumstances including such things as

- ♦ establishing (and sticking to) budget guiding principles;
- ♦ developing a budget delivery solution that suited KBC;
- ♦ finding innovative methods of service delivery.

2.6. The financial strategies key '*guiding principles*' supplemented by the '*Modelling for Recovery Principles*', the '*Budget Containment strategies*' and Prioritisation '*Golden Rules*' have provided a strong cornerstone for the Councils medium term financial strategy. For ease of reference, these are reproduced here;

Financial Strategy Guiding principles:

- a. *Revenue balances should not fall below £1m and overall revenue reserves should not fall below 10% of net revenue expenditure;*
- b. *In setting the Council Tax, members should consider the medium term to ensure that a sustainable budgetary position is preserved (with due regard being given to any penalties that might apply);*
- c. *The level of household Council Tax to increase each year in line with inflation at least, where the budget is in deficit, to ensure resources remain consistent with budgeted costs;*
- d. *When setting the Capital Programme, consideration is given to allocating capital resources to schemes that are beneficial to the Council's overall revenue budget position;*
- e. *To maximise the resources available to the Authority, the Council will actively lobby the Government on relevant issues (e.g., grant distribution/ planning fees).*

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Modelling for Recovery principles:

1. *Wherever possible, continue with all planned investments and programmes, to protect the local economy and lever in other investments;*
2. *Given the strength of our Treasury position we should consider debt funding as a means of programme delivery or stimulus – if this can be shown to be sustainable and have a wider economic benefit;*
3. *Organise our fiscal structures and business models to attract and retain the maximum amount of revenue within the local economy;*
4. *To ensure all possible avenues are used within procurement rules to source locally;*
5. *Protect the performance of Council services which come under particular strain;*
6. *Work closely with partners in the voluntary, public and private sectors, to ensure optimum efficiency*

Budget Containment Strategy:

1. *Where a specific grant which funds a specific service is withdrawn, the service stops;*
2. *Where grant funding reduces, which Kettering Borough Council passports through to another organisation, the reduced sum continues to be passported, providing the end recipient organisation feels it can still provide a value-added service at that funding point.*
3. *Where a function is transferred to another provider, the Council leaves all service-provision discussions, including any top-up funding, with the new provider;*
4. *The Council would ordinarily neither seek to buffer nor profit from tax changes.*
5. *The Council should not substitute itself as a provider / funder of services when another public provider cuts such a service.*

Prioritisation ‘Golden Rules’:

1. *Revenue Impact – The item should have a positive **material and causal** impact on the Council’s revenue budget over the medium term. The impact should be material in nature.*
2. *Fit with Key Priorities - There should be a direct and causal impact upon the achievement of the Council key priorities of;*

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- *Better Town Centres*
- *Better Jobs*
- *Better Educational Offer*

3. *Risk and Return Profile - The item / project should fit the Council's risk and return appetite and also complement the overall portfolio of investment / assets.*
4. *Investment Leverage - The item / project should ideally act as either an 'invest to save' type project or one that 'pump primes' other significant investment into the borough.*
5. *Self Sufficiency - Given the continuing trend of reduction in central government grants, priority will be given to projects that assist in the Council moving further towards financial self-sufficiency.*
6. *Strategic Partnerships - The item should generally have a positive impact on the Council's strategic partnerships and the Council's long term strategic ambitions for the borough – eg, town centre development. In particular – items that support and help develop 'scope' rather than 'scale' will be prioritised.*

3. BUDGET CONSULTATION - COMMENTS

- 3.1 The budget consultation period runs until the 25 February 2015 (when full council sets the budgets)
- 3.2 Comments that have been made through the main consultation meetings are summarised in Appendix B, as detailed below;

Appendix B	Comments From
1	Statutory Budget Consultation Meeting
2	Monitoring and Audit Committee
3	Geographical Forums
4	Research and Development Committee (to be circulated separately)
5	Tenants Forum (to be circulated separately)

4. FINAL GRANT SETTLEMENT 2015/16

- 4.1 The Council's grant settlement for 2015/16 is £3,980,000; this represents a cash reduction in grant of £682,000 (14.6%) from 2014/15 and this is reflected in the Council's Medium Term Financial Forecast (Table 2) and enables the Council to have a balanced draft budget for 2015/16.
- 4.2 The grant announcement did not provide local authorities with individual settlements for 2016/17 or future years. The ability to plan with greater certainty can be better

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met if there is a move back to multi-year funding announcements. This announcement effectively moves back to single year settlements which is challenging for Medium Term Financial planning.

- 4.3 Table 1 illustrates the levels of grant reductions that have taken place. This shows a cash reduction in government funding of around 50% (£3.4m) over the five year period (2011/12 – 2015/16) which is closer to a real terms reduction of 65%.

Year	Reduction in Central Government Core Grant		Status
	%	£	
2011/12	(15.2%)	(£958,000)	Actual
2012/13	(12.8%)	(£700,000)	Actual
2013/14	(6.3%)	(£303,000)	Actual
2014/15	(14.1%)	(£735,000)	Actual
2015/16	(14.6%)	(£680,000)	Actual

5. UPDATE OF KEY ISSUES AND BUDGET PROJECTIONS

- 5.1 The budget figures have continued to be resilience tested during the budget period and have remained the same as those presented in the January report. The budget model (prior to the consideration of any change in council tax) is reproduced in Table 2. The forecast comprises the following 'Zones'

- ◆ **Zone of Predictability** – this year and next (2014/15 - 2015/16)

The level of government funding has previously been announced for this year (2014/15) and the actual levels of funding were confirmed in February 2015 for next year (2015/16) and remain unchanged from those announced in December 2014.

- ◆ **Zone of Unpredictability** – Medium Term (2016/17 – 2019/20)

Reference to the budget deficit figures (Table 2) illustrates the significant challenge that the Council faces in the medium term. Whereas uncertainty will continue to exist about the future levels of government grant post the 2015 General Election, it is fair to say that it will be an extremely challenging time for the authority.

The overall scale of budget reduction is very significant. The Council has done an impressive job of delivering a balanced budget despite having no council tax increase, no cuts to front line services, and no reduction to overall funding for the voluntary sector since 2011/12. This has only been achievable by following the budget guiding principles and making sure that other income sources, such as fees and charges, are harvested in line with their previously agreed guiding principles – this will remain important moving forward.

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The reality of the Council being able to deliver a balanced budget in this period is looking increasingly fragile – the Council will need to carefully consider its main sources of income (Council Tax, Fees and Charges) at the same time as starting to consider its priorities for services (and levels of services) if a balanced budget is to be achieved in the medium term. The commonly referred to ‘triple zero’ success of recent times is unlikely to be achievable in the medium term, indeed any one element of this will put additional pressure on existing levels of service and resources.

TABLE 2 - MEDIUM TERM FINANCIAL FORECAST							
		Zone of "Predictability"		Zone of "Unpredictability"			
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
		Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
1	Net Council Budget	12,020	11,696	11,012	10,189	9,695	9,203
2	Forecast Resources:						
	Government Grant						
2a	Revenue Support Grant	(2,367)	(1,736)	(1,070)	(441)	153	716
2b	Business Rates	(2,137)	(2,244)	(2,311)	(2,380)	(2,451)	(2,525)
	Total Government Grant	(4,504)	(3,980)	(3,381)	(2,821)	(2,298)	(1,809)
	Council Tax / Coll'n Fund	(50)	(100)	(100)	(100)	(100)	(100)
	Income From Council Tax	(5,879)	(6,037)	(6,067)	(6,098)	(6,129)	(6,160)
	Total Resources	(10,433)	(10,117)	(9,548)	(9,019)	(8,527)	(8,069)
3	Budget (Surplus) / Deficit	1,587	1,579	1,464	1,170	1,168	1,134
4a	Council Tax Grant	(158)	0	0	0	0	0
5	Budget Frameworks	(1,329)	(1,579)	0	0	0	0
6	Savings - To be Secured	(100)	0	(1,464)	(1,170)	(1,168)	(1,134)
7	Budget (Surplus) / Deficit	0	0	0	0	0	0
GENERAL FUND WORKING BALANCE							
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
		£000	£000	£000	£000	£000	£000
8	Estimated Opening Balance	(1,415)	(1,505)	(1,530)	(1,530)	(1,530)	(1,530)
4b	Council Tax Grant 13/14	(65)	0	0	0	0	0
4c	Council Tax Grant 14/15	(65)	(65)	0	0	0	0
4d	Town Centre Initiatives	40	40	0	0	0	0
9	Estimated Closing Balance	(1,505)	(1,530)	(1,530)	(1,530)	(1,530)	(1,530)

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Notes to Medium Term Financial Forecast

1 **Net Council Budget** – This represents the net expenditure prior to the Budget Framework savings.

2 **Forecast Resources** – These are the Council's main funding streams (excluding fees and charges which are incorporated into Line 1). This illustrates the significant reduction in Central Government funding. To enable the total resources required to balance the budget to be identified, no assumptions have been made regarding future council tax increases. The small increase in revenue each year reflects anticipated housing growth in the borough.

The following assumptions have been made about future levels of government grant, these assumptions are a combination of the average percentage and cash reduction over the past five years;

2016/17	Reduced by 6.50% then reduced by £340,000
2017/18	Reduced by 6.50% then reduced by £340,000
2018/19	Reduced by 6.50% then reduced by £340,000
2019/20	Reduced by 6.50% then reduced by £340,000

2a / 2b Revenue Support Grant / Business Rates - Following the introduction of the Business Rates Retention Scheme the local share of business rates will be uplifted by RPI each year until the system is reset in 2020 this is shown in line 2b. The full reduction in grant is therefore applied to the element that is provided through the Revenue Support Grant, which is detailed in Line 2a.

3 **Budget (Surplus) / Deficit** – This illustrates the gap between the budget and the total resources available before identifying budget framework savings.

4a **Council Tax Grant** – This is a grant the Council receives from central government for four years in return for freezing Council Tax in 2011/12. This is equivalent to the cash that would have been received if a 2.5% increase had been levied.

4b **Council Tax Grant 2013/14** – This is a grant the Council receives from central government for two years in return for freezing Council Tax in 2013/14. This is equivalent to the cash that would have been received if a 1% increase had been levied.

4c **Council Tax Grant 2014/15** - This is a grant the Council receives from central government for two years in return for freezing Council Tax in 2014/15. A Council Tax Freeze has ongoing implications as an increase in Council Tax generates income year on year.

4d **Town Centre Initiatives** – This relates to parking incentives and / or other town centre related items. Due to the short term nature this is being funded

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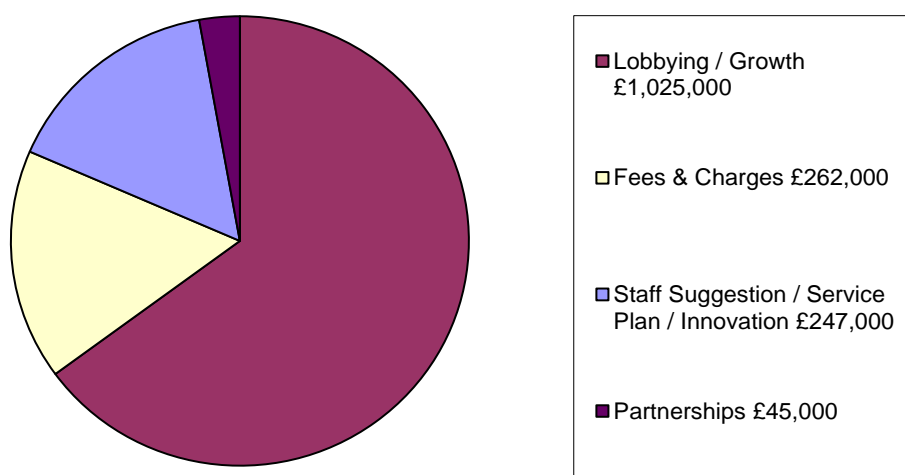
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from the General Fund working balance rather than forming part of the base budget.

- 5 Budget Frameworks** – *This identifies the total savings required.*
- 6 Savings to be secured** – *This identifies the total resources required to balance the budget in future years after 2015/16.*

5.2 From Table 2 it can be seen that the Council’s budget delivery framework will need to deliver £1,579,000 of savings in 2015/16 to maintain a balanced budget. The assumptions will need to be kept under close review during 2015/16. The identified savings are summarised in Chart 1:

Chart 1 - Identified Framework Savings for next Year (2015/16)



5.3 Based upon the figures in the model (Table 2) it can be seen that the following levels of savings maybe required over the new few years (prior to the consideration of any increase in council tax);

2016/17	£1,464,000
2017/18	£1,170,000
2018/19	£1,168,000
2019/20	£1,134,000

5.4 As previously outlined in the report, the figures are predicated on a number of budget assumptions that will require careful monitoring as we move forward. They are also dependent upon the Council sticking to the budget guiding principles and associated rules that were previously outlined in Section 2. In doing so, it is recognised that it will become increasingly difficult for the Council to do everything it wishes when

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trying to resolve issues and problems if it is to live within a financial strategy that continues to pursue the Council's three core objectives of:

- ◆ A better offer for our town centres
- ◆ A better education and training offer
- ◆ A better employment offer – high grade, higher density jobs

5.5 Members should be aware that the indicative savings levels for the period 2016/17 onwards are subject to a number of high level assumptions. One of these is about the potential level of government grant. The grant announcement did not provide local authorities with individual settlements for 2016/17 or future years. The ability to plan with greater certainty can be better met if there is a move back to multi-year funding announcements. This announcement effectively moves back to single year settlements which are not ideal for Medium Term Financial planning.

5.6 It was reported to the January Executive that the medium term grant assumptions had been remodelled, prior to the January Executive we had assumed additional 10% cash reductions (per annum from 2016/17). Looking at past trends, the average cash reduction is around £680,000 per annum and the average % reduction is around 13% per annum. Given the way that the grant mechanism works, this tends to use a % figure, however as the impact of % reduces due to the smaller sums involved it is sensible to consider using absolute cash reductions as well therefore we have decided to use a hybrid of cash and % reductions in our future grant assumptions, this has resulted in grant being reduced by 6.50% followed by a cash reduction of £340,000. These changes have been reflected in the Council's Medium Term Financial Strategy detailed in Table 2;

5.7 Line 6 is the sum that is required to achieve a balanced budget. Every 1% increase in council tax equates to around £60,000. Formal decisions on each year's council tax increases can only be taken by Council at the February budget setting meeting after the consideration of a report from its officers. Council Tax is covered in this report at Section 6.

6. COUNCIL TAX SETTING

6.1 The following illustration was used at the recent budget consultation meeting and serves to remind members of the relative size of the council tax figures that are under consideration

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Office of Northamptonshire Police and Crime Commissioner
COMMUNITY JUSTICE SECURITY

£153.25 pa
£2.95 pw
14%

Kettering
Borough Council

£159.75 pa
£3.07 pw
14%

£815.55 pa
£15.68 pw
72%

Northamptonshire
County Council

6.2 At this meeting of the Executive Committee, members are required to recommend a level of council tax for 2015/16 to full Council for consideration.

6.3 When doing so, members must have regard to: -

- a. The medium term financial projections for the council's General Fund budget (statutory requirement)
- b. The advice of its officers
- c. The financial (and business) risks that face the authority in the medium term.

6.4 Members are reminded that the financial projections shown in Table 2, are presented on the basis of the current level of council tax – no assumptions or allowance has been made in the figures at this point, for any change in council tax levels. As such, the figures show a 'base position', prior to member consideration of the level of council tax for 2015/16.

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6.5 Based upon the figures in the budget model (Table 2), the following levels of budget savings will be required to balance the budget in the medium term: -

2016/17	£1,464,000
2017/18	£1,170,000
2018/19	£1,168,000
2019/20	£1,134,000

6.6 The Council's impressive record in identifying and delivering efficiency savings over the past six years, including the year under consideration (2015/16), are around **£8.360m** - as illustrated in Table 3;

Table 3 – Efficiency Savings	£000
2010/11	1,260
2011/12	1,910
2012/13	1,330
2013/14	950
2014/15	1,330
Total	6,780
2015/16	1,580
Total	8,360
% Cash Savings (Net Budget)	82%

6.7 Members are reminded that each 1% increase in council tax equates to about £60,000 of ongoing income to the council's council tax yield.

6.8 Table 4 summarises the real terms impact of Council Tax freezes. If the current rate of inflation is used as a reference point, in effect local residents have experienced a real terms reduction in their local council tax for Kettering Borough Council during the year as a result of the Council decision to have a 0% increase from 2011/12. If the Council were to levy a similar level of increase into the medium term, further real terms reductions would be experienced by council tax payers at the same time as the Council having to deal with its own inflationary pressures (eg, utility bills) and deliver significant levels of ongoing efficiency savings.

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Table 4	Actual / Estimated Inflation Rate	Council Tax Increase	Cumulative Real Terms Reduction
2011/12	4.80%	0.00%	4.80%
2012/13	2.70%	0.00%	7.50%
2013/14	2.10%	0.00%	9.60%
2014/15	2.00%	0.00%	11.60%
2015/16	2.00%	0.00%	13.60%

- 6.9 Following the provisional grant settlement in December the Government announced that for authorities who wish to increase council tax by 2% or more, a local referendum will be required for 2015/16.
- 6.10 The Government has confirmed that Councils who freeze Council Tax in 2015/16 will receive an additional fixed cash grant for a one year period equivalent to a 1% increase in Council Tax. If the Council decides to freeze Council Tax in 2015/16 it will receive an additional cash grant of around £65,000 in 2015/16.
- 6.11 This grant has not been included in the medium term financial projections illustrated in Table 2. This is because the Executive Committee is yet to make a formal Council Tax recommendation. If the Executive Committee recommends a Council Tax freeze to full Council for consideration, an adjustment will be shown on the General Fund Working Balance section of the Medium Term Financial Forecast.
- 6.12 Although through this budget process members will only be setting a level of council tax for 2015/16, this should be done by reference to the medium term and the risks faced.

7. DRAFT CAPITAL PROGRAMME (2015/16 – 2019/20)

- 7.1 The draft Capital Programme was reported to the Executive as part of the initial budget proposals in January and has since been the subject of consultation and further review. The programme is summarised in Table 5.

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Table 5 - Capital Programme	Draft Budget 2015/16	Indicative Estimate 2016/17	Indicative Estimate 2017/18	Indicative Estimate 2018/19	Indicative Estimate 2019/20
	£'000	£'000	£'000	£'000	£'000
Expenditure					
HRA Schemes	4,059	4,346	4,257	4,355	4,604
General Fund Schemes	1,843	952	887	887	887
	5,902	5,298	5,144	5,242	5,491
Financing					
Capital Receipts	621	834	516	475	473
Borrowing	1,418	527	527	527	527
Revenue Contribution	3,578	3,652	3,881	4,020	4,271
Grants and Contributions	285	285	220	220	220
	5,902	5,298	5,144	5,242	5,491

7.2 There are no changes to the draft capital programme reported to the January Executive.

7.3 The financing estimate for borrowing for 2015/16 is £1.418m. The revenue impact of borrowing (be it external or internal) in 2015/16 is included in the revenue budgets. A capital programme of around £6.0m is not inconsiderable for a District Council of Kettering's size and no doubt a continued boost to the local economy. To put this into context, although the capital programme is not funded from Council Tax receipts, the level of the programme is around the amount of income we receive in Council Tax each year.

7.4 Any further comments that have been made during the consultation period (to date) are provided at Appendix B. The Executive are required to note the comments made and consider whether they wish to take any action on any specific issues raised.

8. DRAFT HOUSING REVENUE ACCOUNT (2015/16)

8.1 In accordance with the Council's Constitution, although the Executive will be recommending the HRA budget for 2015/16 to full Council for approval, this meeting of the Executive will formally approve the level of Council housing rents for 2015/16.

8.2 The draft budget included an average rent increase of 2.20% equivalent to £1.78 per week (5.10% - £3.87 per week in 2014/15).

8.3 To comply with best practice a compensatory adjustment has been made to the draft HRA budgets Line 9 and Line 8 (Reserves), this has no impact on the bottom line.

8.4 The preferred rental increase for 2015/16 will be discussed at the Tenants Forum when it meets on the 12th February 2015. The preferred level of rent increase and comments made by the Tenants Forum will be reported to members of the Executive before this meeting.

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9. **STATUTORY OFFICERS COMMENTS**

- 9.1 To comply with best practice, the Council's Statutory Officers have a responsibility to provide a commentary on the budget (and the underlying assumptions) in the report that is considered by full Council on 25 February 2015.
- 9.2 Members are reminded that the Council has identified and delivered efficiency savings of £6.8m over the five year period 2010/11 – 2014/15, and further efficiency savings of £1.6m have been identified for 2015/16. The level of efficiency savings over the past six years amounts to £8.4m.
- 9.3 **Based on the assumptions applied to the Council's Medium Term Financial Strategy, in the years after 2015/16 the Council will need to deliver additional annual on-going savings in the region of £1¼m – this adds up to around £5m over the medium term which is on top of the £8.4m ongoing savings achieved since 2010. This is a very significant challenge and one that will not be achievable without a change in approach in the medium term, it will also require restraint from the Council in sticking to its existing suite of guiding principles and not taking on additional revenue spending pressures.**
- 9.4 The reality of the Council being able to deliver a balanced budget in the medium term is looking increasingly fragile – the Council will need to carefully consider its main sources of income (Council Tax, Fees and Charges) at the same time as starting to consider its priorities for services (and levels of services) if a balanced budget is to be achieved in the medium term.
- 9.5 If the Council is to continue to set a balanced budget it is becoming increasingly clear that the success it has achieved from existing frameworks will need to have a revised emphasis, including more attention being given to possible commercial investment opportunities if the Council is to reduce reliance on central government funding and to become more self-sufficient. To move ahead with this approach, the Council will need to ensure that it has the appropriate skills and capacity in addition to looking longer term in the capital investments that it will need to make (to generate a revenue return).
- 9.6 Should members feel minded to go forward with a 0% council tax increase for 2015/16, it should be done in the context of the challenges and uncertainty faced in the coming years. It is important that members are aware of the impact such a strategy would have on the 2016/17 savings target (and the savings target for future years) due to its compound nature, it is also important that there is a full understanding of the impact, savings of this magnitude will have on capacity.
- 9.7 Members should be aware that the indicative savings levels for the period 2016/17 onwards are subject to a number of high level assumptions – these include assumptions about the future level of Government Grant and also income from the New Homes Bonus Scheme. These important income sources are likely to be reviewed at national level following the General Election in May 2015 therefore they

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are highlighted in the report as issues to keep under review, along with other economic variables.

- 9.8 It is important to note that, although members have a statutory duty to consider the medium term when setting the 2015/16 budget and council tax, they will only be setting the budget and council tax for 2015/16 at this point. Levels of council tax for future years cannot be set in advance by the council. Each future years' decision can only be taken at the appropriate time, once all of the financial and business risks have been analysed, understood and discussed.
- 9.9 Collectively, the council has done an impressive job of turning a 'paper based exercise' into reality in delivering the savings targets over recent years. However these unprecedented times are likely to continue over the next four years at least (2016/17 – 2019/20) and it is this period that provides the greatest challenge, particularly when we consider that some £8.4m of efficiency savings have already been identified and further efficiencies in the region of £5m are required over the next four years to deliver a balanced budget. In coming to a decision about council tax for 2015/16, members will need to consider the careful balance that needs to be struck between providing sufficient financial flexibility to deal with the challenges faced (through maintaining a healthy council tax yield) and any desire to maintain Kettering Borough Council's council tax at a 'below national average' position.

10 DEBT WRITE-OFFS

- 10.1 In accordance with good practice and to ensure the Council's Balance Sheet accurately reflects monies due at the end of the financial year the Council reviews debts outstanding over £20,000. Where it is unlikely that these debts will be settled due to either the companies being in liquidation or the companies have been dissolved they are submitted to the Executive for write off in accordance with the Council's Financial Regulations (which requires the Executive to approve all write offs in excess of £20,000).
- 10.2 A total of five debts as detailed below are submitted for approval to the Executive Committee these relate to Business Rates due to the companies either being dissolved or in liquidation. This is an accounting adjustment and forms part of the Final Accounts process as the Council prepares the annual Statement of Accounts

Reference	Amount	Status
101162481	£21,126.78	Dissolved
101183800	£15,434.59	Dissolved
101149462	£27,303.30	Dissolved
101151120	£23,027.86	Dissolved
101178381	£21,906.68	Liquidation

- 10.3 It is important for Members to recognise that although the debts are being recommended for write off (to comply with best accounting practice) the Council will still try all avenues to recover all or some of the debt where the company is in liquidation. This is an accounting issue rather than a practical one.

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11 CONSULTATION AND CUSTOMER IMPACT

11.1 The formal budget consultation period is from 14th January 2015 (where the Executive received the draft budgets) to 25th February 2015 when the Council sets its Council Tax for 2015/16. Comments from this consultation process are attached at Appendix B.

12 POLICY IMPLICATIONS

12.1 As outlined in the report.

13 USE OF RESOURCES

13.1 As outlined in the report.

14. RECOMMENDATIONS

14.1 That the Executive: -

- a) Receives the comments received from the consultation process to date as detailed at Appendix B;
- b) Approve that the average weekly council house rent be increased by 2.20% to £81.61 (on a 52 week year) for 2015/16 (effective from 1st April 2015).
- c) Approve the debt write off (as detailed in section 10).

14.2 That the Executive recommends to Council: -

- a) The Revised General Fund Budget (2014/15) and Draft General Fund Budget for (2015/16) – as detailed at Appendix A – Section 1*;
- b) A preferred level of Council Tax (Band D equivalent) for 2015/16 and associated Medium Term Financial Forecast;
- c) The Capital Programme (2014 - 2020) – as detailed at Appendix A - Section 2*;
- d) The Housing Revenue Account Estimates for 2015/16 – as detailed at Appendix A - Section 3*.

** Please note that these references to Appendix A refer to the 'Draft Budget Booklet – 2015/16) that was circulated as Appendix A to the January Budget report to the Executive Committee on 14 January 2015.*

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Background Papers:

Title of Document: Estimate Working Papers
Contact Officers: M Dickenson

Previous Reports/Minutes:

Monthly Durable Budget Reports
Budget Consultation (Jan 15)
Monitoring and Audit (Jan 15)
Research and Development (Feb 15)
Geographic Forums (Feb 15)