



Welcome to the Budget Consultation Meeting

21st January 2016

Kettering
Borough Council

Welcome and Introduction




What	Why	Who
Welcome and Introductions	To welcome everybody and introduce Members and Officers	Cllr Jan Smith
Budget Presentation – to include; Budget Context General Fund 2015/16 2016/17 The Medium Term Capital Programme Housing Revenue Account Summary	To provide a briefing on the Council’s draft budget and the key issues.	Graham Soulsby Mark Dickenson Dean Mitchell
General Question and Answer Session about Council priorities, policies and ambitions for the area, including;	To provide an opportunity to debate with members on key policy issues	Members - to answer questions about objectives, policy, priorities Officers - to answer questions on any technical issues

Budget Context



How we spend our money



**General
Fund
Account
£48.0m**



**Housing
Revenue
Account
£15.8m**

£71.5m



**Capital
Programme
£7.7m**



General Fund Account

Covers: Day to day expenditure and income on services other than Council Housing

Budget: £48.0m

Funding sources: Fees & Charges / Govt Grant / Council Tax



Kettering
Borough Council

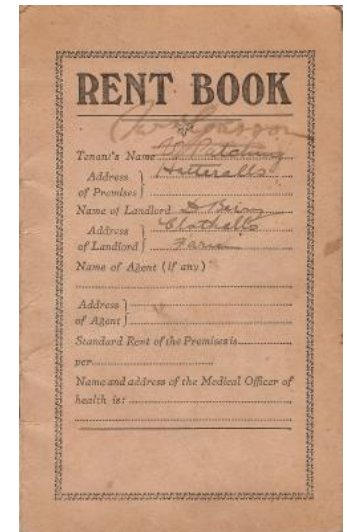


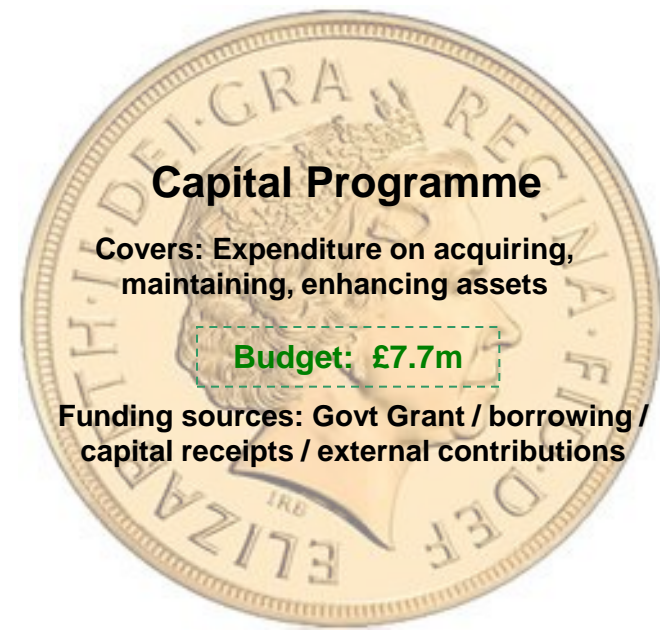
Housing Revenue Account

Covers: Day to day expenditure and income relating to being a Council Housing landlord

Budget: £15.8m

Funding sources: Council House Rents





Capital Programme

Covers: Expenditure on acquiring, maintaining, enhancing assets

Budget: £7.7m

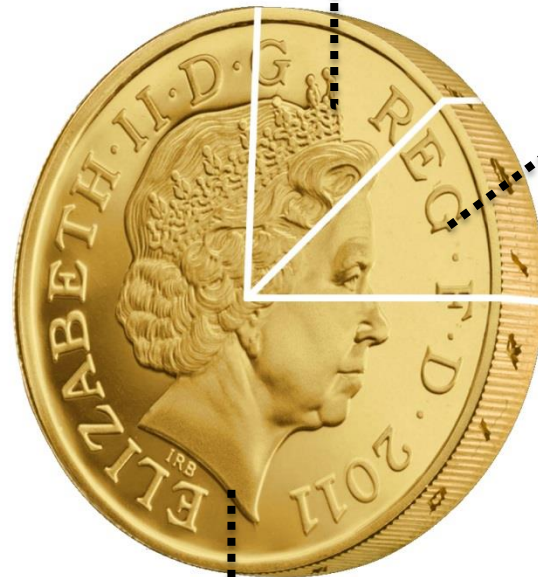
Funding sources: Govt Grant / borrowing / capital receipts / external contributions



Council Tax: we keep how much?

Kettering *Borough Council*

£159.75 pa
£3.07 pw
14%



£156.30 pa
£3.01pw
14%



Northamptonshire
County Council

£831.46 pa
£15.99 pw
72%

Each 1% increase = 3p
per week for an average
household and generates
£60,000 for the borough

Figures based on Band B (the average property band in Kettering)

Kettering
Borough Council

Business Rates: we keep how much (2015/16)?

Kettering
Borough Council

£2.3m
7%



Total Business
Rates Collected
£31.5m




General Fund Account

General Fund Account 2015/16

◆ **Key Messages** (para 3.5)

- ◆ Council Tax remains below the national average (around £3 per week for the average household)
- ◆ The Council has maintained a balanced budget without cutting front line services or using one-off reserves
- ◆ The Council has maintained its overall support for the voluntary sector

◆ **General Fund** (para 5.2 to 5.18)

- ◆ Identified Savings = £1,579,000
- ◆ Savings being successfully delivered 

Efficiency Savings – Track Record

Efficiency Savings	£000
2010/11	1,260
2011/12	1,910
2012/13	1,330
2013/14	950
2014/15	1,330
2015/16	1,580
Total	8,360
<i>2016/17</i>	<i>1,520</i>
Total	9,880
<i>(%) Cash Savings (Net Budget)</i>	99%

*The scale and delivery of this level of **efficiency savings is particularly impressive given that there has been no detrimental impact on the delivery of front line services** and when considering the increased costs of utilities and inflation levels. Over the seven year period the efficiency savings will be equivalent to approximately **99%** of the Council's draft net budget (which stands at £9.880m for 2016/17).*

General Fund 2016/17

- ◆ Modelled 15% Reduction
- ◆ Government Grant Reduction of 16.5%
- ◆ Generally as previously predicted
- ◆ Still represents a significant Reduction

2015/16 – 2016/17 MTFS

		Zone of "Predictability"	
		2015/16	2016/17
		Forecast	Forecast
		£000	£000
1	Net Council Budget	11,696	11,497
2	Forecast Resources:		
	Government Grant:		
	RSG	(1,736)	(1,161)
	Business Rates	(2,244)	(2,310)
	Total Government Grant	(3,980)	(3,471)
	Council Tax / Coll'n Fund	(100)	(250)
	Income From Council Tax	(6,037)	(6,254)
	Total Resources	(10,117)	(9,975)
3	Budget (Surplus) / Deficit	1,579	1,522
4	Savings Identified	(1,579)	(1,522)
5	Savings - To be Identified	0	0
6	Budget (Surplus) / Deficit	0	0

GENERAL FUND WORKING BALANCE			
		2015/16	2016/17
		£000	£000
7	Estimated Opening Balance	(1,415)	(1,505)
8a	Council Tax Grant 14/15	(65)	0
8b	Council Tax Grant 15/16	(65)	0
8c	Town Centre Initiatives	40	0
9	Estimated Closing Balance	(1,505)	(1,505)

General Fund 2016/17

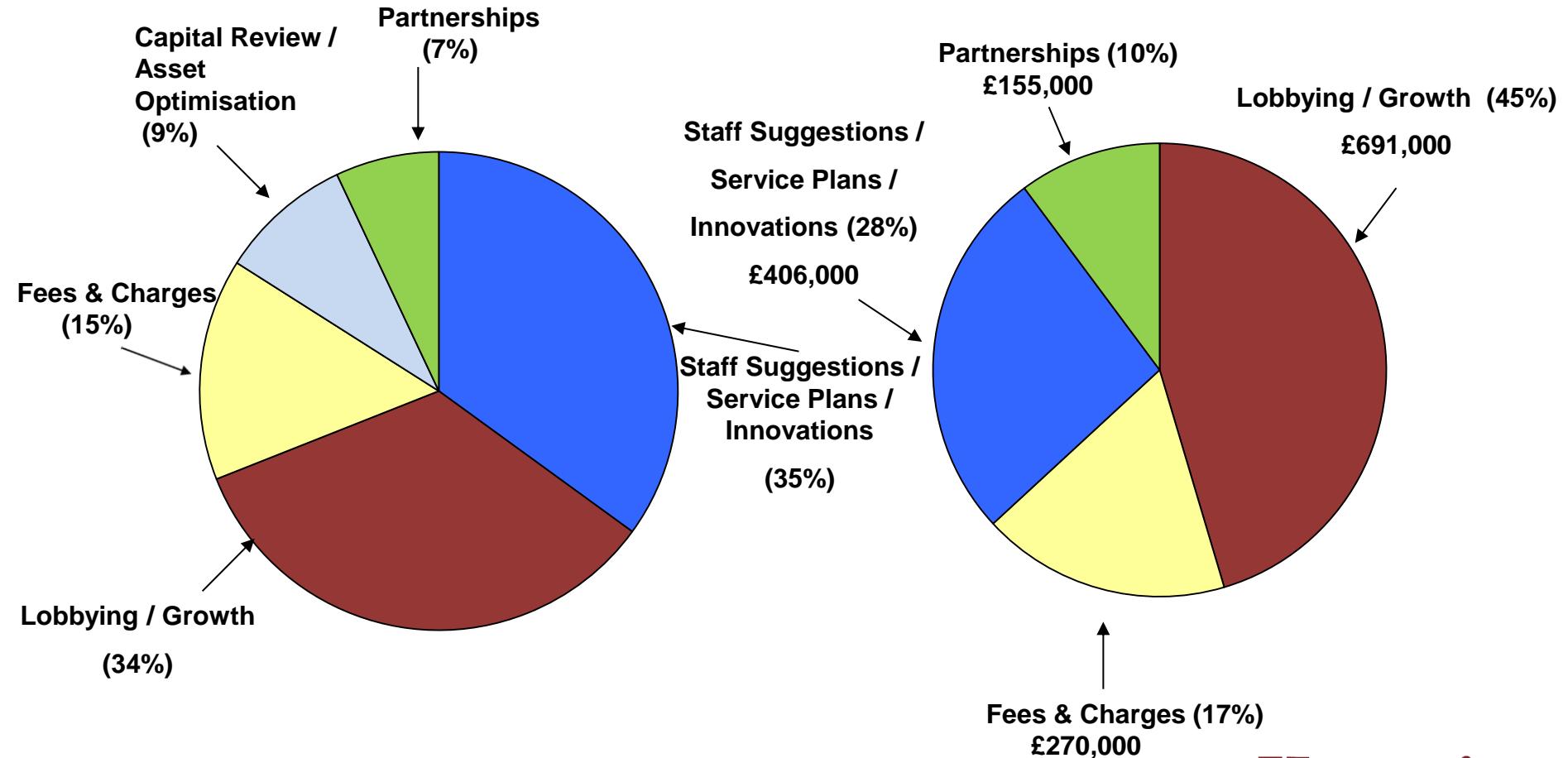
◆ Savings all identified

Framework	Saving	£000
Lobbying / Growth	Business Rates	500
Lobbying / Growth	New Homes Bonus	180
Staff / Innovation	Flexible Resourcing	350
Fees and Charges	Planning Fee Income	110
Partnerships	Contract Negotiations	100
Partnerships	Increased Rental Income	30
	Other	252
		1,522

Framework Savings

Average to 2015/16

2016/17



Main Service Pressures / Risks

- ◆ Other Public Sector Providers
- ◆ New Homes Bonus
- ◆ Business Rate Appeals
- ◆ Homelessness
- ◆ Recycling Commodities
- ◆ Swing-o-meter (Appendix A – Page 29)

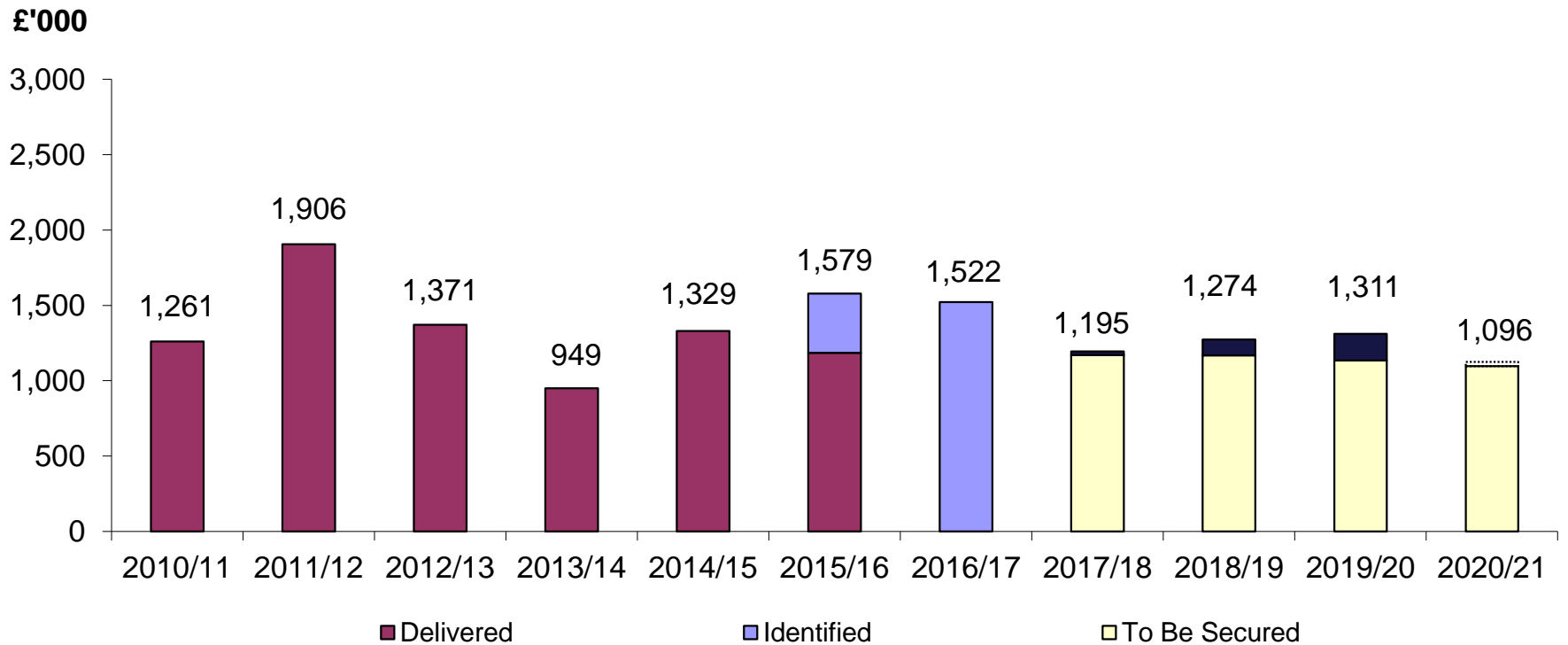
General Fund Medium Term



Medium Term Financial Savings

Table 16 – Medium Term Financial Savings	December Executive	Current MTFS	Difference
	£000	£000	£000
2017/18	(1,170)	(1,195)	(25)
2018/19	(1,168)	(1,274)	(106)
2019/20	(1,134)	(1,311)	(177)
2020/21	(1,124)	(1,096)	28
Total Savings – to be secured	(4,596)	(4,876)	(280)

Efficiency Savings



Previous MTFS Savings	1,170	1,168	1,134	1,124
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Unprecedented Uncertainty

- ◆ Government Grant

- ◆ Indicative figure's Subject to efficiency plan

- ◆ New Homes Bonus

- ◆ Formal Government Consultation
- ◆ £800m Reduction from funding base

Unprecedented Uncertainty

◆ Business Rates

- ◆ 100% Retention of Business Rates
- ◆ Formal Government Consultation
- ◆ New Responsibilities

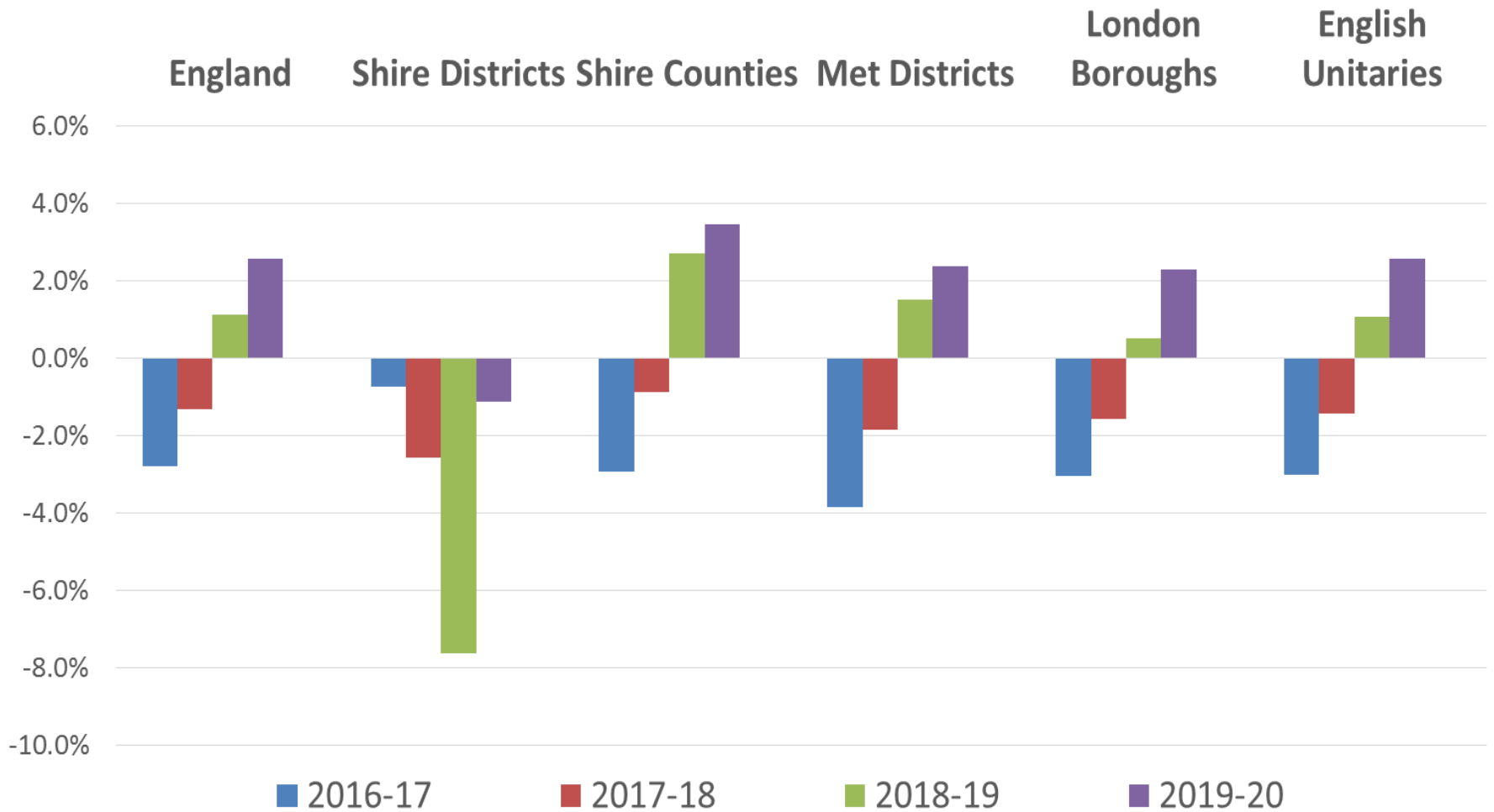
◆ Council Tax

- ◆ No incentive to freeze Council Tax
- ◆ Future Indicative settlements assume increase

Key Issues

- ◆ Growth (Houses / Businesses)
- ◆ Commercial Investments
- ◆ Income

Year on Year Percentage Change in Core Spending Power



Source:LGA

Financial Prospects

	Summary	Risk	Difficulty
This Year (2015/16)	On Track	Understood	Has been high
Next Year (2016/17)	Challenging but achievable	Mostly Understood	Remains Challenging
Medium Term (Following 4 years)	Becomes increasingly difficult – new financial strategy will need to deliver	Unprecedented	Highest



Capital Programme

Capital Programme

- ◆ **2015/16**(para 5.19 to 5.22)
 - ◆ Capital Programme £8.1m
 - ◆ Main changes (outlined in 5.21)
 - ◆ Facilitate the provision of 13 Social housing Properties including 5 for special needs.
 - ◆ Timing of Fleet Maintenance Facility
- ◆ **2016/17 and Medium Term**(para 6.26 to 6.31)
 - ◆ 2016/17 Capital Programme £7.6m
 - ◆ Programme 2017/18 – 2020/21 around £6.5 per annum



Housing Revenue Account

Housing Revenue Account

- ◆ **2015/16**(para 5.23 to 5.27)
 - ◆ Generally on budget
- ◆ **2016/17 and Medium Term**(para 6.26 to 6.31)
 - ◆ Draft budget to Tenants Forum on 11th February 2016

Housing Revenue Account

	£000
INCOME	
Rents - Dwellings Only	15,362
Service Charges	440
Total Income	15,802
EXPENDITURE	
Repairs and Maintenance	3,798
General Management	2,443
Special Services	1,016
Rents, Rates, Taxes & Other Charges	110
Contribution to Bad Debt Provision	170
Depreciation	1,645
HRA Self Financing	5,262
Total Expenditure	14,444
Net Cost of Services	(1,358)
Interest Payable	190
HRA Investment Income	(7)
Transfer To/From Major Repairs Reserve	1,025
Contingency	150
Net Operating Expenditure	1,358
Net Change in Balances	0
Balance Carried Forward	(850)

Questions

Provide Feedback

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Thank you for attending the Budget Consultation Meeting

