



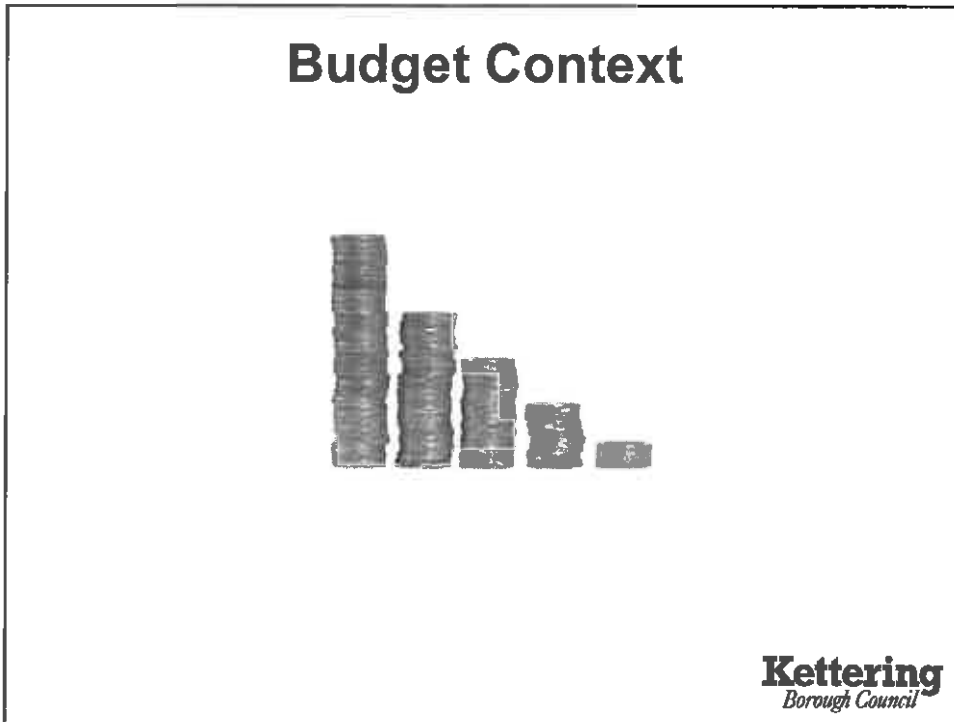
## Welcome and Introduction



**Kettering**  
Borough Council

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

**Kettering**  
Borough Council



# How we spend our money



**Kettering**  
Borough Council

**General Fund Account**  
Covers Day to day expenditure and income on services other than Council Housing  
Budget: £48.0m  
Funding sources: Fees & Charges / Govt Grants / Council Tax

**Kettering**  
Borough Council



**Housing Revenue Account**  
 Covers: Day to day expenditure and income relating to being a Council Housing landlord  
 Budget: £15.6m  
 Funding sources: Council House Rents



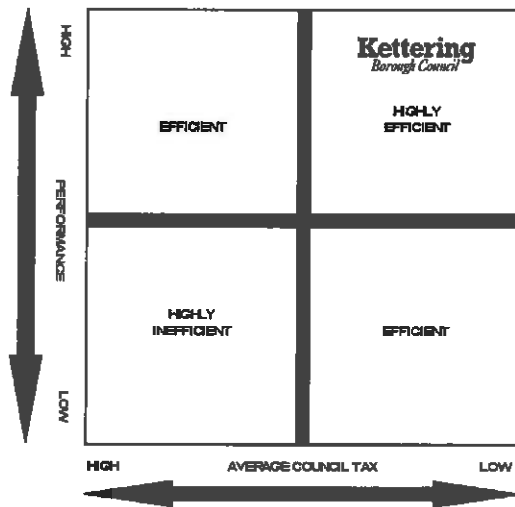
**Kettering**  
 Borough Council



**Capital Programme**  
 Covers: Expenditure on acquiring, maintaining, enhancing assets  
 Budget: 27.7m  
 Funding sources: Govt Grant / borrowing / capital receipts / external contributions

**Kettering**  
 Borough Council

## Budget Context



Members are reminded that **before the efficiency programme** commenced a number of years ago, the Council was charging a level of **Council tax below the national average yet delivering a level of performance that was above the national average**. Despite having to deliver significant efficiency savings in the past six years, the Council's level of council tax charged remains below the national average and performance remains above average.

**Kettering**  
Borough Council

## 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

**Kettering**  
*Borough Council*




**Kettering**  
*Borough Council*

## 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 

**Kettering**  
Borough Council

## 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
<b>Total</b>	<b>8,360</b>
2016/17	1,520
<b>Total</b>	<b>9,880</b>
(%) Cash Savings (Net Budget)	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).*

**Kettering**  
Borough Council

## General Fund 2016/17

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

**Kettering**  
Borough Council

## 2015/16 – 2016/17 MTFS

	Zone of "Predictability"	
	2015/16	2016/17
	Forecast £000	Forecast £000
<b>1 Net Council Budget</b>	11,696	11,497
<b>2 Forecast Resources:</b>		
Government Grant:		
RSG	(1,736)	(1,161)
Business Rates	(2,244)	(2,310)
<b>Total Government Grant</b>	<b>(3,980)</b>	<b>(3,471)</b>
Council Tax / Coll'n Fund	(100)	(250)
Income From Council Tax	(6,037)	(6,254)
<b>Total Resources</b>	<b>(10,117)</b>	<b>(9,975)</b>
<b>3 Budget (Surplus) / Deficit</b>	1,579	1,522
<b>4 Savings Identified</b>	(1,579)	(1,522)
<b>5 Savings - To be Identified</b>	0	0
<b>6 Budget (Surplus) / Deficit</b>	0	0
<b>GENERAL FUND WORKING BALANCE</b>		
	2015/16	2016/17
	£000	£000
<b>7 Estimated Opening Balance</b>	(1,415)	(1,505)
<b>8a Council Tax Grant 14/15</b>	(65)	0
<b>8b Council Tax Grant 15/16</b>	(65)	0
<b>8c Town Centre Initiatives</b>	40	0
<b>9 Estimated Closing Balance</b>	<b>(1,505)</b>	<b>(1,505)</b>

**Kettering**  
Borough Council



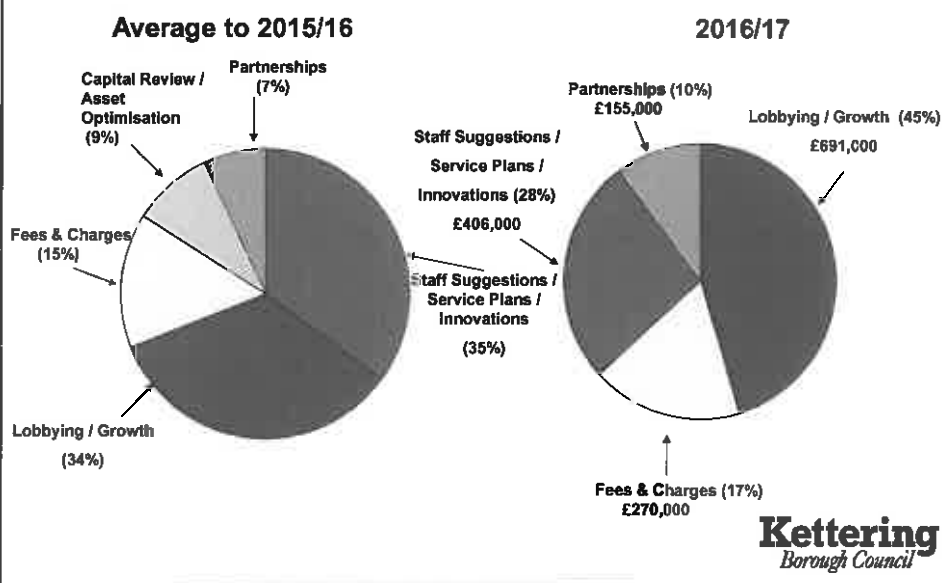
## General Fund 2016/17

◆ 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
		<b>1,522</b>

**Kettering**  
Borough Council

## Framework Savings



## Main Service Pressures / Risks

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

**Kettering**  
Borough Council

## General Fund Medium Term



**Kettering**  
Borough Council

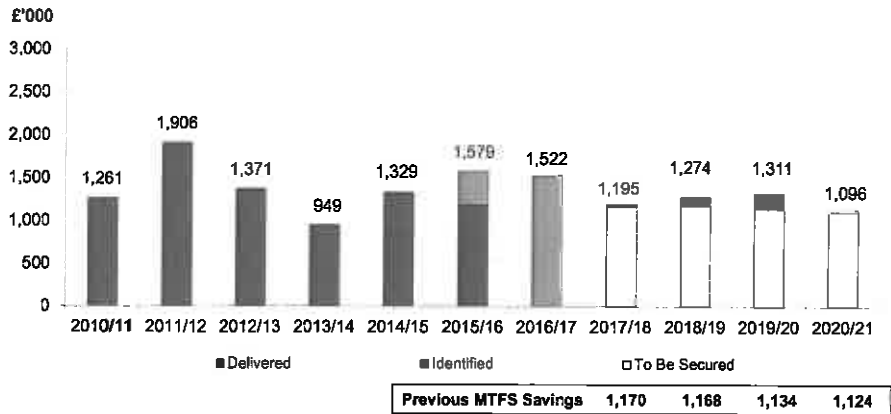
## Medium Term Financial Strategy

Table 15 - Medium Term Financial Forecast	Zone of "Predictability"		Zone of "Unpredictability"			Severe "Unpredictability"
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
1 Net Council Budget	11,696	11,497	10,612	10,449	10,207	9,803
2 Forecast Resources:						
Government Grant:						
RSG	(1,736)	(1,161)	(546)	(171)	250	0
Business Rates	(2,244)	(2,310)	(2,355)	(2,425)	(2,503)	(2,000)
Total Government Grant	(3,980)	(3,471)	(2,901)	(2,596)	(2,253)	(2,000)
Council Tax / Coll'n Fund	(100)	(250)	(200)	(200)	(200)	(200)
Income From Council Tax	(6,037)	(6,254)	(6,316)	(6,379)	(6,443)	(6,507)
Total Resources	(10,117)	(9,975)	(9,417)	(9,175)	(8,896)	(8,707)
3 Budget (Surplus) / Deficit	1,579	1,522	1,195	1,274	1,311	1,096
4 Savings Identified	(1,579)	(1,522)	0	0	0	0
5 Savings - To be Identified	0	0	(1,195)	(1,274)	(1,311)	(1,096)
6 Budget (Surplus) / Deficit	0	0	0	0	0	0
<b>GENERAL FUND WORKING BALANCE</b>						
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
7 Estimated Opening Balance	(1,415)	(1,505)	(1,505)	(1,505)	(1,505)	(1,505)
8a Council Tax Grant 14/15	(65)	0	0	0	0	0
8b Council Tax Grant 15/16	(65)	0	0	0	0	0
8c Town Centre Initiatives	40	0	0	0	0	0
9 Estimated Closing Balance	(1,505)	(1,505)	(1,505)	(1,505)	(1,505)	(1,505)

## 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
<b>Total Savings – to be secured</b>	<b>(4,596)</b>	<b>(4,876)</b>	<b>(280)</b>

## Efficiency Savings



**Kettering**  
Borough Council

## Unprecedented Uncertainty

- ◆ Government Grant
  - ◆ Indicative figure's Subject to efficiency plan
- ◆ New Homes Bonus
  - ◆ Formal Government Consultation
  - ◆ £800m Reduction from funding base

**Kettering**  
Borough Council

## 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

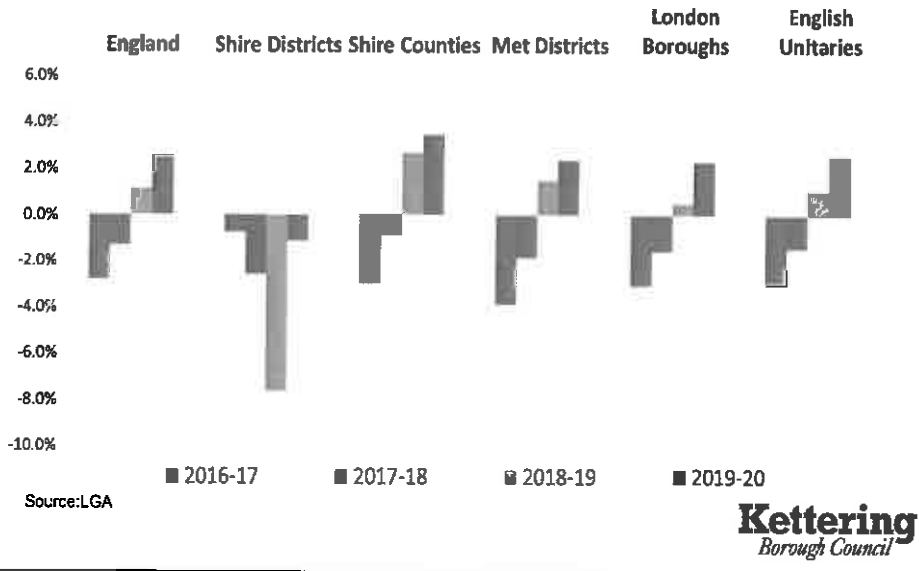
**Kettering**  
*Borough Council*

## Key Issues

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

**Kettering**  
*Borough Council*

## Year on Year Percentage Change in Core Spending Power



## 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

**Kettering**  
Borough Council



**Kettering**  
*Borough Council*

## 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

**Kettering**  
*Borough Council*



**Kettering**  
*Borough Council*

## 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 11<sup>th</sup> February 2016

**Kettering**  
*Borough Council*



## Housing Revenue Account

INCOME	£000
Rents - Dwellings Only	15,362
Service Charges	440
<b>Total Income</b>	<b>15,802</b>
<b>EXPENDITURE</b>	
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
<b>Total Expenditure</b>	<b>14,444</b>
<b>Net Cost of Services</b>	<b>(1,358)</b>
Interest Payable	190
HRA Investment Income	(7)
Transfer To/From Major Repairs Reserve	1,025
Contingency	150
<b>Net Operating Expenditure</b>	<b>1,358</b>
<b>Net Change in Balances</b>	<b>0</b>
Balance Carried Forward	(850)

**Kettering**  
Borough Council

## Questions

**Kettering**  
Borough Council