

Approved Budget for 2015/16 to 2017/18

Budget Summary and Council Tax Requirement 2015/16

Revenue Budget Requirement	Adjusted 2015/16 Standstill Budget £	Growth £	Savings £	2015/16 Budget £
Directorate Expenditure - Cost of CMBC Services to the Public				
Chief Executive's Office	4,831,176			4,831,176
Adult Health & Social Care	51,221,116			51,221,116
Children and Young People	32,862,003	135,000		32,997,003
Economy & Environment	22,884,046			22,884,046
Communities and Service Support	19,487,378			19,487,378
Total of Directorate Budgets	131,285,719	135,000	0	131,420,719
Directorate Centrally Controlled Budgets	26,232,833			26,232,833
Levies and Accounting Adjustments	9,027,301			9,027,301
planned use of earmarked reserves	-1,054,250			-1,054,250
Contribution to Budget Support Reserve	1,300,000			1,300,000
Total Gross Revenue Budget Requirement	166,791,603	135,000	0	166,926,603
Investment in Markets	0	500,000		500,000
Contribution to Economic Task Force	0	200,000		200,000
Collection fund Surplus	-1,100,000			-1,100,000
Contribution from(-)/(+)to Balances	-1,500,000	93,170	-700,000	-2,106,830
Total Net Revenue Budget Requirement	164,191,603			164,419,773

2015/16 Calculation of Calderdale MBC Element of Council Tax

2014/15 Council Tax 2 Adults 1 Adult £ p £ p		£'000	2015/16 Band D Equivalent 2 Adults Change £ p %
	Calderdale MBC Net Expend(excl Parishes)	164,419,773	
	Retained Rates	-28,771,547	
	Top-up	-9,558,780	
	Small Business Rate Relief, Business Rate Cap and Retail Relief	-2,490,830	
	Revenue Support Grant	-33,132,109	
	Council tax Freeze grant	-847,186	
	Better Care Funding	-9,180,000	
	Education Services Grant	-2,163,691	
	Local Services Support Grant	-62,526	
	Housing &CT Admin subsidy	-1,327,964	
	Redistributed Topslice NHB	-123,056	
	New Homes Bonus	-3,771,541	
1,251.43 938.57	Met by Council Tax	72,990,543	1,251.43 0.00%

Impact of the Police and the Fire and Rescue Authority Precepts

2014/15 Council Tax 2 Adults 1 Adult £ p £ p		£'000	Band D Equivalent 2 Adults Change £ p %
1,251.43 938.57	Calderdale MBC	72,990,543	1,251.43 0.00%
57.40 43.05	WY Fire and Rescue Authority	3,414,506	58.54 1.99%
138.20 103.65	Police and Crime Commissioner for West Yorkshire	8,220,968	140.95 1.99%
1,447.03 1,085.27	Met by Council Tax	84,626,017	1,450.92 0.27%

In addition Parish Precepts will be levied in some areas

7.88 5.91	Total Parish Precepts	459,881	7.88 0.00%
1,454.91 1,091.18	Average Calderdale Council Tax	85,085,898	1,458.80 0.27%

Budget Summary and Indicative Council Tax Requirement 2016/17

Revenue Budget Requirement	Adjusted 2016/17 Standstill Budget £	Growth £	Savings £	2016/17 Budget £
Directorate Expenditure - Cost of CMBC Services to the				
Chief Executive's Office	4,709,716			4,709,716
Adult Health & Social Care	52,105,326			52,105,326
Children and Young People	33,120,323	100,000		33,220,323
Economy & Environment	22,812,956			22,812,956
Communities and Service Support	19,759,583			19,759,583
Cross Council		100,000	-100,000	0
Total of Directorate Budgets	132,507,904	200,000	-100,000	132,607,904
Directorate Centrally Controlled Budgets	26,230,823			26,230,823
Levies and Accounting Adjustments	4,369,061			4,369,061
planned use of earmarked reserves	-4,940,750			-4,940,750
Contribution to Budget Support Reserve	500,000			500,000
Total Gross Revenue Budget Requirement	158,667,038	200,000	-100,000	158,767,038
Contribution to Collection Fund Deficit				0
Contribution from(-)/(+)to Balances	-1,100,000		-100,000	-1,200,000
Total Net Revenue Budget Requirement	157,567,038			157,567,038

2016/17 Calculation of Calderdale MBC Element of Council Tax

2015/16 Council Tax			£'000	2016/17 Band D Equivalent	
2 Adults £ p	1 Adult £ p			2 Adults £ p	Change %
		Calderdale MBC Net Expend(excl Parishes)	157,567,038		
		Retained Rates	-29,947,593		
		Top-up	-9,831,205		
		Small Business Rate Relief/multiplier cap	-2,085,642		
		Revenue Support Grant	-25,380,000		
		CT Freeze Grant	-847,186		
		Better Care Funding	-9,180,000		
		Education Services Grant	-1,500,000		
		Local Services Support Grant	-62,526		
		Housing & CT Admin subsidy	-609,050		
		New Homes Bonus	-4,100,000		
1,251.43	938.57	Met by Council Tax	74,023,836	1,263.94	1.00%

Budget Summary and Indicative Council Tax Requirement 2017/18

	Adjusted 2017/18 Standstill Budget £	Growth £	Savings £	2017/18 Budget £
Revenue Budget Requirement				
Directorate Expenditure - Cost of CMBC Services to the				
Chief Executive's Office	4,739,076			4,739,076
Adult Health & Social Care	53,252,376			53,252,376
Children and Young People	33,439,153	100,000		33,539,153
Economy & Environment	23,341,806			23,341,806
Communities and Service Support	20,121,103			20,121,103
Cross Council growth with savings to be determined		100,000	-9,600,000	-9,500,000
Total of Directorate Budgets	134,893,514	200,000	-9,600,000	125,493,514
Directorate Centrally Controlled Budgets	26,230,823			26,230,823
Levies and Accounting Adjustments	4,864,485			4,864,485
Use of reserves	-1,800,000			-1,800,000
Total Gross Revenue Budget Requirement	164,188,822	200,000	-9,600,000	154,788,822
Contribution from Earmarked Reserve	-500,000			-500,000
Contribution from(-)/(+)to Balances	-1,700,000		-500,000	-2,200,000
Total Net Revenue Budget Requirement	161,988,822			152,088,822

2017/18 Calculation of Calderdale MBC Element of Council Tax

2016/17 Council Tax 2 Adults £ p	1 Adult £ p		£'000	2017/18 Band D Equivalent 2 Adults £ p	Change %
		Calderdale MBC Net Expend(excl Parishes)	152,088,822		
		Retained Rates	-30,734,369		
		Top-up	-10,000,000		
		Small Business Rate Relief/multiplier cap	-2,085,642		
		Revenue Support Grant	-18,500,000		
		CT Freeze Grant	-847,186		
		Better Care Funding	-9,180,000		
		Education Services Grant	-1,300,000		
		Local Services Support Grant	-62,526		
		Housing &CT Admin subsidy	-609,050		
		New Homes Bonus	-3,700,000		
1,263.94	947.96	Met by Council Tax	75,070,049	1,276.58	1.00%

Head of Finance's Report

The Local Government Act 2003 requires that in making decisions in relation to setting its Council Tax that the Authority's Chief Finance Officer must report on:

- a) the robustness of the estimates made for the purpose of the calculations, and
- b) the adequacy of proposed financial reserves.

These, in conjunction with the balanced budget requirement of The Local Government Finance Act (1992), mean that Members are required to have regard to the Head of Finance's report when making their budget setting decisions.

The budget builds upon the existing savings targets and plans which are in place following previous decisions made at Budget Council and which are summarised in the table below:-

Savings Required	2014/15	2015/16	2016/17	2017/18
Budget Council 2010	£13.9m	£13.9m	£13.9m	£13.9m
Budget Council 2011	£29.0m	£29.0m	£29.0m	£29.0m
Budget Council 2012	£13.7m	£13.7m	£13.7m	£13.7m
Budget Council 2013	£9.5m	£15.4m	£15.4m	£15.4m
Budget Council 2014	£2.1m	£6.0m	£14.2m	£14.2m
Total	£68.2m	£78.0m	£86.2m	£86.2m

The budget provides clear proposals for action to deliver longer term cost reductions and efficiency savings for 2015/16 and 2016/17 based on previous decisions made at Budget Council and the detail behind each of those savings proposals.

In addition, a detailed review of budgets was undertaken in updating the standstill budget position. This included a complete review of identifiable pay and prices changes. All centrally controlled budgets have been updated and a detailed assessment made of debt and borrowing costs over the plan period.

The budget savings for 2017/18 are at this stage based on themes illustrating where it is intended that additional savings will be identified. These themes will need to be translated into more robust savings proposals with detailed plans in advance of budget decisions being made for 2016/17 and following a consultation exercise.

The approved budget maintains unallocated balances (financial reserves) above £5m. The minimum level is in line with my overall assessment of major financial risks, as set out in the Council's Medium Term Financial Plan. It also reflects the recommendation of the Council's appointed external auditors. This level of balances relates to non-school spending, as schools retain balances of their own.

The approved budget includes the use of balances in 2015/16 on one- off initiatives and to support the budget in 2017/18.

In addition to the unallocated balances referred to above, the Council holds earmarked reserves to cover potential future costs to the Council of issues such as workforce planning and insurance. The earmarked reserves are mainly for specific purposes and do not carry a recommended level or limit. As such it is of vital importance that these reserves are reviewed periodically in order to ascertain their continued validity and level. Regular consideration should be given to whether they could be put to better use elsewhere in subsequent years.

The earmarked reserves are formally reviewed three times a year. Firstly, this is done as part of the development of the Medium Term Financial Strategy, secondly as part of the formal budget setting process and finally as part of the closedown procedures at the end of the financial year. Monitoring and further reviews are also undertaken throughout the year as part of the Quarterly Revenue Monitoring processes.

The adequacy of all major reserves and balances has been examined to ensure that they are sufficient to support the key financial assumptions held within the Medium Term Financial Strategy which also underpins the Council's budget for the three year period 2015/16 to 2017/18. The latest review as part of the budget process has identified that the level of reserves and balances is adequate for this purpose.

Given the uncertainties of the economic environment and the scale of the expenditure reductions required, there will inevitably be significant risks involved in delivering a balanced budget. The Head of Finance has therefore taken a risk management approach to the budget process and has set out below the key risks associated with the approved budget and how they can be managed.

Each agreed saving identified the risk associated with each proposal. These have been considered by the Head of Finance who is confident that Directors are aware of the risks involved and their potential impact.

Although the Council continues to manage its finances in a prudent manner some assumptions and forecasts have necessarily had to be made where information is not yet available. The key assumptions within the budget are considered to be:-

- Government grant (excluding specific grants) will be reduced in 2016/17 and 2017/18 in line with the reductions since the austerity measures began in 2010
- A Council Tax freeze in 2015/16 with increases of 1% per annum in 2016/17 and 2017/18
- All agreed savings targets and budget pressures, particularly around demand led budgets in adult and children's social care, will be contained within existing budgets

The Council has an embedded savings monitoring process already in place which has been used to good effect since 2010. This involves the use of the Council's performance monitoring system (Making a Difference) and regular review meetings between The Leader, Deputy Leader, Chief Executive, Directors and Head of Finance.

Finally, due to the three year planning process in place, there is sufficient lead-in time for contingency plans to be formulated in future budget rounds should problems become apparent.

Agreed Growth and Savings

Growth

BRIEF DESCRIPTION	2015/16 Total £000	2016/17 Total £000	2017/18 Total £000
Restore Short Breaks	100	100	100
Increase Funding to meet prudential borrowing costs of a capital project on affordable warmth which will be managed within Economy and Environment		100	100
Support youth activities at the OrangeBox Centre	35		
Growth Total	135	200	200

Savings

BRIEF DESCRIPTION	2015/16 Total £000	2016/17 Total £000	2017/18 Total £000
Income generation and being more entrepreneurial			-1,500
Different models of service delivery			-2,500
Better use of new technology		-100	-600
Working more closely with others			-1,500
Managing demand			-500
Leaner more agile Council			-400
Discretionary services review			-2,600
Savings Total	0	-100	-9,600

Estimated Available Revenue Balances from 31st March 2014 to 31st March 2018

	£'000
Revised available General Fund Revenue Balances as at 31st March 2014	10,512
Planned contribution to(+)/(-)from Balances 2014/15	25
Estimated available General Fund Revenue Balances as at 31st March 2015	10,537
Planned contribution to(+)/(-)from Balances 2015/16	-2,107
Estimated available General Fund Revenue Balances as at 31st March 2016	8,430
Planned contribution to(+)/(-)from Balances 2016/17	-1,200
Estimated available General Fund Revenue Balances as at 31st March 2017	7,230
Planned contribution to(+)/(-)from Balances 2017/18	-2,200
Estimated available General Fund Revenue Balances as at 31st March 2018	5,030