

Key Decision Required:	Yes	In the Forward Plan:	Yes
------------------------	-----	----------------------	-----

**CABINET
12 DECEMBER 2012**

REPORT OF FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER

A.2 REVISED FINANCIAL STRATEGY FOR 2013/14 AND BEYOND

(Report prepared by Karen Neath)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To allow Cabinet to consider the revised financial strategy for 2013/14 and beyond.

EXECUTIVE SUMMARY

The Revised Financial Strategy sets out how the financial and budget position of the Council for 2013/14 and beyond has moved on since Cabinet considered the Initial Financial Strategy on 13 September 2012. In light of the current position, the report also sets out the approach to the financial strategy for 2013/14 to 2016/17.

A number of actions have already been progressed to enable the previous savings target of **£4.4m** by 2014/15 to be achieved and this figure has been substantially met. As some of these savings were delivered in advance of the year they are required to balance the budget there is one-off funding available in the revised budget for 2012/13 and consideration needs to be given as to how best to utilise this. At the present time this has been added to the Fit for Purpose Budget.

In September, the financial forecast for 2013/14 was for a funding gap of **£0.774m** based on estimated Local Government Finance Settlement figures. The amount of government support had been estimated from information contained in a number of technical and consultation papers issued by Communities and Local Government relating to the Rates Retention Scheme and the Local Council Tax Support Scheme. Both of these new initiatives will come into effect from 1st April 2013. Details of how these schemes will work were set out in the Initial Financial Strategy considered by Cabinet on 13 September 2012. The Local Council Tax Support Scheme for 2013/14 for Tendring was agreed by Council on 27 November.

The detailed Local Government Finance Settlement figures are not yet available. The Government had previously issued two indicative funding figures for 2013/14 for individual authorities. The first is based on the removal of £2bn from the overall control total to fund the New Homes Bonus in each of the seven years of the Business Rates reset period. An alternative, second figure, is based on removing £500m in 2013/14 and £800m in 2014/15. On 21st November the Government confirmed that it will adopt the second option. The forecast has therefore been based on these indicative figures and shows a surplus in 2013/14 of **£0.454m**. The firm Local Government Settlement figures are expected by 20th December at the latest and arrangements will be made to make these figures and their impact available to Members. It is expected that the announcement will provide figures for 2013/14 and provisional figures for 2014/15. The Government has announced further council tax freeze grant which for this council equates to an additional grant in 2013/14 and 2014/15 of **£0.076m** based on no rise in council tax.

Although the Government has said that detailed figures for 2015/16 and 2016/17 will be

released after the next spending review a further reduction in grant has been assumed for those years and the cumulative savings required by 2016/17 is **£3.1m**. The Chancellor of the Exchequer is due to present the Autumn Statement on 5 December. The overall forecasted funding gap is set out in **Appendix B**. In light of the anticipated requirement to make further substantial savings over the coming years it is proposed to retain for the foreseeable future the Austerity Reserve of **£0.500m** alongside the general fund reserve of **£4.0m**. Other reserves have been reviewed and the details are set out in the report on the initial budget proposals elsewhere on the agenda.

RECOMMENDATION(S)

- a) That Cabinet considers its response to the comments of the Corporate Management Committee on the Initial Financial Strategy.
- b) That Cabinet agrees the revised proposals for the Financial Strategy and Financial Forecast for 2013/14 and beyond, as detailed in the report.
- c) That Cabinet agrees that the Council Tax for 2013/14 be unchanged from 2012/13.
- d) That if the final financial position is more or less advantageous to the Council (from either revised estimates or estimates for 2013/14) then any increase or decrease is adjusted against the Fit for Purpose Budget.
- e) That Cabinet requests the Corporate Management Committee's comments on these Revised Financial Strategy Proposals.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Careful planning to ensure financial stability underpins the Council's capacity to achieve the objectives set out in the Corporate Plan and Community Strategy. Individual elements of the Financial Strategy are risk assessed against the aspirations of the Council, as well as statutory service requirements. The approach for 2013/14 builds on previous successful financial planning and is key to the Council's aim to deliver sustainable and joined up services to everyone in the District. This is particularly important in the current climate when resources are scarce and the Council will need to focus even more on identifying and funding its key priorities.

This report will have direct implications on the Council's ability to deliver on the commitments, objectives and priorities set out in both the Corporate Plan and the Community Strategy up to 2016. It will particularly impact on the speed with which the Council can deliver its priorities, rather than the priorities themselves.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are set out in the body of the report.

Although the availability of financial resources is a key component in the delivery of services there will also need to be appropriate input of other resources such as staffing, assets, IT etc.

Risk

There are clearly risks associated with the Strategy. The actions to achieve a fully funded budget, including limiting budgets to 2010/11 spending levels and restricting cost pressures, give rise to the potential for items that have not been funded to emerge or for increases in income etc. not to materialise in reality. This is particularly so given the current economic climate, the reductions in the availability of public sector funding, the Government's programme of change for Councils' services and the impact on the Council's core funding streams from changes to business rate distribution and council tax.

In view of the above it is important that the Council has a sufficient level of uncommitted reserves set aside to support the approach identified in this Strategy. An uncommitted reserve of approximately **£4m** (including the **£1.6m** minimum working balance) has been approved previously to insure against the eventuality of pressures on the budget through additional unexpected expenditure or removal of funding. The level of reserves has been revisited in light of the risks identified as part of the Financial Strategy and the figure of **£4m** (including the **£1.6m** working balance) is still deemed to be sufficient.

LEGAL

The current arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The existing legislation defining the arrangements for charging, collecting and pooling of Business Rates is contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The Local Government Finance Act 2012 received royal assent on 1 November 2012. This provides the legislative framework for the introduction of the Rates Retention Scheme and the Localisation of Council Tax Support.

The Calculation of Council Tax Base Regulations 2012 set out arrangements for calculation of the council tax base following implementation of the Local Council Tax Support Scheme. The new arrangements will mean that there will be a lower tax base for the district council, major preceptors and town and parish councils. Government is providing funding to cover the resulting loss in council tax revenue. We are consulting with major preceptors and town and parish councils on the implications of this.

The Localism Act 2012 introduced legislation around the right of veto for residents on excessive Council Tax increases and on the arrangement for Housing Revenue Account (HRA) accounting.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

These implications have no impact on the Financial Strategy itself. However, they are taken account of in the delivery of individual services and projects.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Cabinet considered the Initial Financial Strategy at their meeting on 13 September 2012. At that meeting Cabinet resolved :

(a) that, the Initial Financial Strategy and Initial Financial Forecast for 2013/14 be agreed;

(b) that the comments to the cost pressures in Appendix 'A' to the Report, and any actions therein, be agreed;

(c) the Corporate Management Committee be consulted on these initial proposals, recognising that any further inclusion of cost pressures or other budgetary demands would require matching measures to ensure that the funding gap was not increased;

(d) subject to confirming that it was beneficial for Tendring District Council, authority to enter into a local authority business rates pool be delegated to the Head of Resource Management, in consultation with the Finance and Asset Management Portfolio Holder;

(e) the letter in Appendix 'C' to the report be sent to the Department for Communities and Local Government in response to the paper 'Business Rates Retention Scheme: Technical Consultation' and that authority be delegated to the Head of Resource Management, in consultation with the Finance and Asset Management Portfolio Holder, to respond separately to the detailed questions contained within that paper;

(f) a high-level summary of the initial financial strategy and initial financial forecast for 2013/14 be sent to all Tendring District Councillors.

The Corporate Management Committee considered the Initial Financial Strategy at their meeting on 22 October and resolved that:

1. in accordance with the Constitution and the request of Cabinet, consideration was given to the Cabinet's Initial Financial Strategy 2013/14 and in providing its comments, the Committee was mindful that any further inclusion of cost pressures or other budgetary demands would require matching measures to ensure that the funding gap was not increased;

2. the Committee considered and determined its future approach to scrutiny and budget review, with the aim of supporting the Council in responding to the significant financial challenges that it currently faced, as follows:

a) The Committee wished to embark upon more innovative scrutiny to address the longer-term on-going support of the budget-setting process;

b) That, at its meeting scheduled to be held on 3 January 2013, senior officers from each of the Council's Departments be invited to address the Committee and to answer any questions from Members in relation to their specific budgets;

c) That the 3 January 2013 meeting proceed between Members of the Committee and appropriate officers only;

d) That a further meeting of the Committee be scheduled for 10 January 2013, at which, relevant Portfolio Holders be invited to address the Committee and to answer any questions from Members in relation to their specific budgets; and

e) That the appropriate officer with responsibility for Leisure provision be invited to address the Committee at its next meeting to answer any questions from Members in relation to their specific budgets; and

3. the Committee requested Cabinet to endorse the proposed revised approach to scrutiny.

REVISED FINANCIAL FORECAST

In September 2012, the Initial Forecast identified a potential funding gap for 2013/14 of **£0.774m** as follows:

Item	2013/14 £'000
Base Budget from 2012/13	17,384
Inflation	530
Other Budget Adjustments	(982)
Outturn Review	(147)
Changes to Grants	469
Carry Forwards from the Base Budget	(98)
Retained Business Rates	(3,940)
Revenue Support Grant	(6,150)
(Surplus) / Deficit on Collection Fund	(150)
Council Tax Requirement	6,916
Estimated Council Tax Collection	6,142
Funding Gap in 2013/14	774

The detailed actions taken since September to review the budget position are set out below:

Re-Visit Priority 1 Cost Pressures

In line with the position at the Initial Financial Strategy stage, no cost pressures have been included.

Review of Inflationary Increases

The position regarding inflation has been reviewed since the Initial Financial Strategy. and the amount included for NNDR has been increased to **£0.055m**.

As set out below budgets have been set at 2010/11 spending levels (except for salaries, contracts, NNDR and fees and charges) with the availability of a contingency to manage the position. In light of this no general inflationary allowance has been included within the 2013/14 budget. Inflation (RPI) is currently running at just above 2% and reduced from the levels of above 5% seen last year. Departments will be expected to manage within existing budgets with use of the contingency to be considered if this is not possible. In 2012/13 **£0.200m** of the contingency was earmarked to be allocated to individual budgets for increases in gas and electricity. The position for 2013/14 is that this funding is not required and will therefore now be treated as unearmarked within the contingency budget.

For 2013/14 Departments have again been asked to review their fees and charges on an individual basis rather than a blanket inflationary increase being set. The full proposed

fees and charges as they currently stand are included within the report on the initial budget proposals elsewhere on the agenda.

Review of Provision for Vacancies and Underspends

The estimate for 2012/13 included a vacancy provision of **£0.050m**. The vacancy provision been further reviewed given the ongoing Fundamental Service Reviews (FSRs). In light of this, the vacancy provision has now been set at **£0.150m** for 2012/13 and **£0.100m** for 2013/14.

Review of 2011/12 Outturn

On 13 June 2012, Cabinet considered a report on the outturn position for 2011/12. This identified general fund savings of **£0.693m**. Following a review of the savings and discussion with Heads of Department, a total of **£0.147m** has been identified for removal on an ongoing basis. The budget continues to effectively cash limit a large number of service budgets to 2010/11 spending levels. There is no doubt that the current austere climate in which all public sector organisations are now operating has driven an efficiency minded culture. Provision for a contingency has previously been made and it is intended to carry forward any unspent amount into 2013/14 to support the budget in that year.

Other Budget Adjustments

- There are substantial savings in relation to the salaries budget in 2012/13 due to a number of vacancies that are being held pending completion of the FSRs. Although FSRs remain to be completed, an estimate of the overall impact has been made and a reduction made within both the revised budget for 2012/13 of **£1.094m** and in the estimate for 2013/14 of **£1.027m** including the change in vacancy provision. A provision of **£0.300m** has been retained within the 2013/14 estimate to allow for finalisation of the FSR figures and for any future structural changes that may become apparent once the new review changes are embedded.
- The Government has announced an extension to the Council Tax Freeze Grant. The position with regard to this grant is now as follows:-
 - **£0.192m** which the council receives for not increasing council tax in 2011/12 will continue to be received until 2014/15;
 - **£0.194m** which the council received for not increasing the council tax in 2012/13 was for one year only and has now been removed;
 - If the council does not increase council tax in 2013/14 then it will receive a further **£0.076m** in 2013/14 and 2014/15 (this grant is at a figure equivalent to a 1% council tax rise whereas the grant was previously at a figure equivalent to a 2.5% council tax rise).

Based on the proposals for Council Tax set out below additional Council Tax grant of **£0.076m** for 2013/14 and 2014/15 has been assumed in the budget but means that the gap arising from the grant being removed again in 2015/16 would need to be filled. This grant will be rolled into the overall Local Government Finance Settlement figures.

- Additional funding of **£0.094m** has been included for support to the Citizens Advice Bureau. The Council is working closely with the CAB to mitigate the impact on local residents resulting from forthcoming welfare changes and the additional funding will enable the CAB to widen and enhance their services particularly in relation to money and debt advice, promoting financial capability and assisting with claims under the new

benefit arrangements.

- Provision has been made in 2012/13 of **£0.032m** for licences for the IDOX system which supports services including planning, environmental and licensing. As provision of **£0.049m** has previously been made through the Initial Financial Strategy for 2013/14 it has now been possible to remove **£0.017m** from that year.
- A review of budgets relating to the receipt of rental income has identified that across all services these budgets are overstated by **£0.045m**. These budgets have been realigned for 2013/14 to bring them in line with the rent actually being received.
- Additional income has been received in 2012/13 of **£0.034m** for the extension of a concessionary fares administration service to Essex County Council pending the County Council putting other permanent arrangements in place and of **£0.041m** in relation to VAT claims following a national legal ruling some years ago. This, to a large extent, offsets the reduction in expected income from planning and building control fees in 2012/13 of a total of **£0.080m**.
- The saving on the 2012 Clacton Air Show of **£0.006m** has been removed in both 2012/13 and 2013/14.
- Following a reduction in the subscriptions to be paid by this authority to be a partner in the Haven Gateway Partnership **£0.010m** has been removed in 2012/13 and **£0.012m** in 2013/14.
- The Corporate Budget Monitoring report has consistently reported a shortfall in income from sport and leisure services over the past two years. Consequently, the budget has been reduced in both 2012/13 and 2013/14 by **£0.150m** to more accurately reflect the anticipated level of income to be received in each year. A review of leisure is being undertaken and once completed the income budget will be reviewed again in light of any amended pricing structure and business plan. The charges for hire of grass pitches have been reduced in 2013/14 to address issues of fall off in usage and the income reduced by **£0.015m** accordingly.
- Additional income of **£0.089m** has been included in 2013/14 following a change in the discount on second homes, in relation to the second homes agreement with Essex County Council.
- Additional funding of **£0.060m** has been included in 2013/14 to enable enhanced street cleaning of the council's primary tourist areas.
- A successful residents' parking scheme has been in operation since July 2012. To enable the same or similar scheme to operate in 2013/14 provision of **£0.300m** has been made. This has been funded from 2012/13 to enable savings made in that year to be reinvested in the wider community and district.
- Recharges have been updated to reflect the structural changes that have taken place within the authority. This has resulted in a reduction in the charges to the Housing Revenue Account of **£0.051m** in 2012/13 and **£0.042m** in 2013/14.
- Other minor and financing adjustments show a reduction of **£0.045m** in 2012/13 and of **£0.012m** in 2013/14.
- After allowing for the budgetary adjustments set out in this report and the report on the

initial budget proposals elsewhere on the agenda the Fit for Purpose budget stands at **£3.010m** in 2012/13 (after transference of the surplus for the revised position). The Fit for Purpose budget is a one-off sum set aside to support costs arising from Fundamental Service Reviews, management reviews and other actions undertaken to deliver the savings target. Once all organisational restructuring has been completed the Fit for Purpose budget will be reviewed to determine how much remains available and how this funding could be best utilised.

Changes to Grants

There has been a reduction in the Benefit Administration Grant for 2013/14 of **£0.131m**.

Council Tax Assumptions

The Revised Financial Forecast is based on an assumed Council Tax that is unchanged from 2012/13. This would allow the Council to access the additional Council Tax grant that has been made available for 2013/14 and 2014/15.

On 8 October it was announced that the Government propose to lower the local authority council tax referendum threshold to 2% for 2013/14. For district councils the limit was 3.5% in 2012/13.

The regulations surrounding the calculation of the council tax base require that the new Local Council Tax Support Scheme (LCTS) is accounted for as a discount. Together with changes arising from the decision of Council to remove any discount for second homes and the six month discount on empty properties and a review of collection assumptions this means that the tax base for 2013/14 is **42,479.6**. The tax base for 2012/13 was **51,498.9**. The resultant loss of income from a lower tax base is covered by the new Local Council Support Grant which for Tendring District Council is **£1.366m**. Town and Parish councils will continue to precept on the District Council at an amount that is based on a tax base unadjusted for the LCTS. However, the amount collected from tax payers will be based on the lower tax base. The difference will be made up by Local Council Support Grant. The grant relates to the Town and Parish Councils but will be paid to the District Council.

For information and comparison the 2012/13 Council Tax for a Band D property (excluding parish precepts) for all Essex Districts is shown in the following table:-

District	Annual Council Tax (£)	Weekly Council Tax (£)
Basildon	252.81	4.86
Harlow	251.55	4.84
Castle Point	229.59	4.42
Rochford	201.15	3.87
Colchester	175.23	3.37
Brentwood	170.70	3.28
Maldon	169.66	3.26
Chelmsford	167.30	3.22
Braintree	162.81	3.13
Epping Forest	148.77	2.86
Tendring	148.38	2.85
Uttlesford	147.42	2.84

Essex Average	183.58	3.53
All England Average – Districts	165.21	3.18

Revised Financial Forecast 2013/14

When the variations set out above are taken into account this results in a Revised Forecast for 2013/14 of a surplus position of **£0.454m** as summarised in the following table. The Government has previously issued two indicative funding figures for 2013/14 for individual authorities. The first is based on the removal of £2bn from the overall control total to fund the New Homes Bonus in each of the seven years of the Business Rates reset period. An alternative, second figure, is based on removing £500m in 2013/14 and £800m in 2014/15. On 21st November the Government confirmed that it will adopt the second option. The forecast has therefore been based on these indicative figures. The firm Local Government Settlement figures are expected by 20th December at the latest and arrangements will be made to make these figures and their impact available to Members.

Revised Financial Forecast 2013/14

Item	As At 13/09/2012 £'000	Change to 12/12/2012 £'000	As At 12/12/2012 £'000
Base Budget	17,384	0	17,384
Changes to Council Expenditure			
Inflation	530	25	555
Other Budget Adjustments	(982)	(757)	(1,739)
Outturn Review	(147)	0	(147)
Changes to Grant Budgets	469	131	600
Carry Forwards from the Base Budget	(98)	0	(98)
Base Budget Requirement	17,156	(602)	16,555
Government funding allocation	(10,090)	(465)	(10,555)
(Surplus) / Deficit on Collection Fund	(150)	(1)	(151)
Council Tax Requirement	(6,916)	(1,070)	(5,846)
Estimated Council Tax Collection	(6,142)	(161)	(6,303)
Funding Gap in 2013/14	774	(1,231)	(454)

The full list of all the changes can be seen in the Revised Financial Forecast for 2013/14 shown at **Appendix A**. A more detailed analysis of these budget changes is also set out in the report on the detailed estimates elsewhere on your agenda and which also sets out the latest position for 2012/13.

Outstanding Issues

There are some issues still to be resolved and although not reflected in the budget at this stage will be included when Cabinet consider the final budget proposals if resolved at that time. Outstanding issues include:

- Confirmation of the final Grant Settlement for 2013/14.

- The 2012/13 budget reflects **£0.954m** for the amount of New Homes Bonus received for net new properties for the years to October 2010 and 2011. This sum has been included with a corresponding expenditure budget. This is on the assumption that the grant will be spent on initiatives within the district rather than being used towards a balanced budget position. If that position changes and some or all of the New Homes Bonus needed to be used to support the overall budget then the relative expenditure budget would be adjusted accordingly. The figure for 2013/14 is awaited.
- Tendring has been notified that it has been awarded **£0.625m** for the Weekly Collection Support Scheme. Acceptance has been made in principle and the final confirmation letter is awaited.
- An outline business case has been prepared for the Clacton Civic Hub project. Indicative figures indicate capital costs of between £1.0m and £4.5m for the various options. Consideration is being given to the options and to possible funding arrangements. Tendring District Council currently has an asset reserve of **£0.7m**. Other sources of funding and the opportunity to generate capital receipts from the project need to be considered.

Forecast for 2013/14 and Beyond

The forecast now rolls into 2016/17 which is beyond the period of the current Spending Review. For the purposes of the forecast a continued reduction in the level of Local Government funding has been assumed. Based on this, along with the indicative figures for 2013/14 already notified, the Financial Forecast shown in **Appendix B** identifies a total deficit to 2016/17 of up to **£3.1m**. The forecast shows that it is expected that the council will be able to deliver a balanced budget in 2013/14 but this will be subject to the final settlement figures. Thereafter further savings will be required. After 2014/15 the position becomes increasingly uncertain as that is the last year of the Spending Review.

APPROACH TO THE FINANCIAL STRATEGY FOR 2013/14 AND BEYOND

Over the past eighteen months the focus of the Council has been on delivering savings to meet the shortfall of **£4.4m** by 2014/15. The actions previously undertaken delivered savings that have contributed substantially towards this target and the completion of the FSRs will enable that original target to be met and a contribution towards further savings made. However, further savings beyond this are almost certain to be required. It is not envisaged within the foreseeable future that there will be any relaxation of the squeeze on local government funding. It is clearly important that a concerted focus on setting out a plan for delivering a balanced budget in future years is maintained. Work on this is underway.

In light of the current position, it is proposed to retain the Austerity Reserve of **£0.500m** alongside the general fund reserve of **£4.0m**. Other reserves have been reviewed and the details are set out in the report on the initial budget proposals elsewhere on the agenda.

BACKGROUND PAPERS FOR THE DECISION

Working papers held in Accountancy

APPENDICES

Appendix A **Revised Forecast 2013/14**

Appendix B Forecast 2013/14 and Beyond

REVISED FORECAST 2013/14

	£000	£000
2012/13 Base Budget		17,384
Inflation		
Salary and increments	350	
Contracts	150	
NNDR	30	530
Other Budget Adjustments		
Fit for Purpose budget	(1,176)	
Closure of cash offices	(75)	
Reduction in audit fee for external audit	(50)	
Revenue funding of capital items	(30)	
Contingency	(23)	
Pan Essex Travellers Unit - contribution	7	
CAROS	17	
Licence agreement for the IDOX system	49	
Supporting People funding	54	
Jaywick Team	85	
Council Tax Benefits overpayments	160	(982)
Outturn Review		
TDC Website	-16	
IT Direct Costs	-11	
Legal Services	-35	
Investment Income	-70	
Member Support	-2	
Public Experience Fees	-3	
Horticultural Services	-10	
Beach Hut Fees	-10	
Share Amenities	-4	
Treasury Advisers	2	
E learning	7	
Members Allowances	5	-147
Changes to Grant Budgets		
Council Tax Freeze Grant	384	
Homelessness Grant	85	469
Carry Forwards from the Base Budget which are to be Removed		
RSG Funding 2011/12	76	
RSG Funding 2012/13	(87)	
Use of reserves	(87)	(98)
FORECAST POSITION 2013/14 - Initial Financial Strategy 13 September 2012		17,156
Inflation for NNDR	25	
Salaries	(1,027)	
Citizens Advice Bureau	94	
Idox licences	(17)	
Rental income	45	
Air Show	(6)	
Haven Gateway Partnership subscriptions	(12)	
Leisure sports income and pitch fees	165	
Second Homes Agreement with ECC	(89)	
Enhanced street cleaning	60	
Changes in grants	131	
Recharges	42	
Other minor and financing adjustments	(12)	(601)
REVISED FORECAST POSITION		16,555
FUNDING POSITION		
Local Government Finance Settlement (see note)		Indicative Figures
Council Tax (at 0.0%)		10,555
Surplus on Collection Fund		6,303
		151
		17,009
FUNDING (SURPLUS) / DEFICIT		(454)

Note Indicative figures are based on removing £0.5bn in 2013/14 and £0.8bn in 2014/15 for the New Homes Bonus

	Assumed Govt Grant Decrease of 8.5%	Assumed Govt Grant Decrease of 9.6%	Assumed Govt Grant Decrease of 5%	Assumed Govt Grant Decrease of 5%
<i>Movement in Budget</i>	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
Total Net Budget from prior year	17,384	16,555	17,055	17,555
Inflation	555	500	500	500
Other Budget Adjustments	-1,739	0	0	0
Outturn Review	-147	0	0	0
Changes to Grants	600	0	0	0
Carry Forwards from the Base Budget	-98	0	0	0
TOTAL NET BUDGET	16,555	17,055	17,555	18,055
Local Government Finance Settlement	-10,555	-9,704	-9,037	-8,657
Surplus on collection fund	-151	0	0	0
Council Tax Requirement	5,849	7,351	8,518	9,398
Estimated Council Tax Collection	6,303	6,303	6,303	6,303
Cumulative Funding Gap	-454	1,048	2,215	3,095
Funding Gap in Year	-454	1,502	1,167	880