

## The Vale of Glamorgan Council

### Cabinet Meeting: 22 February, 2016

#### Report of the Leader

### Final Proposals for the Revenue Budget 2016/17

#### Purpose of the Report

1. The purpose of this report is to set out final proposals for Cabinet members to consider, before making their recommendations to Council, in respect of the final revenue budget for the financial year 2016/17.

#### Recommendations

That Cabinet recommend to Council the following:

1. Fix the budget for 2016/17 at £213.288 million including a provision of £200,000 for discretionary rate relief to rural shops and post offices and charitable organisations.
2. Approve the budgets for 2016/17 as set out in [Appendix C](#), the totals as follows:

	<b>£'000</b>
Education and Schools	94,346
Libraries	2,051
Adult Community Learning	277
Youth Service	1,081
Catering	1,489
Art Development	115
Children & Young People	14,858
Adult Services	39,906
Business Management & Innovation	295
Youth Offending Service	696
Visible Services	20,068
Transportation	4,834
Building Services	0
Regulatory Services	2,056

Council Fund Housing	744
Resource	920
Regeneration	2,172
Development Management	958
Private Housing	11,262
General Policy	16,660
Council Fund Reserve	(1,500)
<b>Grand Total</b>	<b>213,288</b>

3. Approve the recommendations regarding Net Growth for 2016/17 as set out in [Appendix D](#) and Savings for 2016/17 as set out in [Appendix E](#).
4. The proposed draft report on Education Budget and Indicator Based Assessment (IBA) at [Appendix A](#) be endorsed and the Director of Learning and Skills make arrangements for it to be forwarded to the School Budget Forum and Welsh Government.

That Cabinet approve the following:

5. The initial savings targets for 2017/18 and 2018/19 as set out in [Appendix F](#) be approved.
6. The Director of Learning and Skills be given delegated powers to determine the amount of money to be allocated to the schools' delegated budgets after consultation with the Schools Budget Forum, subject to the Individual Schools Budget (ISB) being no less than the Welsh Government's target.
7. The Director of Social Services continues to review the Social Services Budget Plan and takes the necessary actions in order to manage future service demand.
8. A sum of £492k be set aside in the Social Services Legislative Changes reserve, funded by the projected under spending on revenue in 2015/16 and that the budget be amended accordingly.
9. The reclassification of reserves as set out at [Appendix H](#) be approved.
10. The commencement of Tranche 3 of the Reshaping Services programme to identify savings in 2017/18 and 2018/19.

## Reasons for the Recommendations

1. To set the 2016/17 budget in line with statutory requirements.
2. To allocate budgets to services.
3. To reduce risk to services and balance the budget.
4. So that the report can be presented to the Schools Budget Forum and Welsh Government.
5. To set minimum targets for achieving savings.
6. To set out delegated authority in relation to the allocation of the Education and Schools budget.

7. To ensure that the Social Services Budget Plan is achieved and future demand is managed.
8. To ensure that reserves are both adequate in purpose and level.
9. To ensure that reserves are both adequate in purpose and level.
10. To ensure a balanced budget in future years.

## **Background**

2. The Council is required under statute to fix the level of Council Tax for 2016/17 by 11<sup>th</sup> March 2016. The final decision on the budget cannot be delegated and must be made at a meeting of Council.
3. In previous years, the provisional settlement has been received from Welsh Government (WG) during October, with the final settlement being received during December. This year, however, the initial budget proposals were not received until December 2015, due to the late timing of the UK Government's Spending Review. Local authorities will be advised of their Final Settlement on 2nd March 2016, however, the Final Budget will be debated by WG on 9th March 2016.
4. An update to the provisional settlement was received from WG on 10<sup>th</sup> February 2016. These proposals have therefore been based on the updated provisional settlement, as WG have previously advised that they are not anticipating a significant change in the final settlement.
5. Due to the late announcement of the final settlement, the revenue budget for 2016/17 will be presented to Council for approval on 2<sup>nd</sup> March 2016, however, an additional Council meeting will be held on 10<sup>th</sup> March 2016 to approve the level of Council Tax for 2016/17.

## **Relevant Issues and Options**

### General

6. The Council's approved Final Revenue Budget Proposals for 2015/16 included savings targets for the period 2016/17 and 2017/18 of £17.8m. These figures excluded schools which were funded 1% above the relevant percentage change in Block Grant received by WG in the form of the Minimum Funding Commitment (MFC). No indication of future changes in funding had been received from WG and therefore the savings targets took as their starting base a projected 4% reduction in 2016/17 and a 2% reduction in 2017/18.
7. The 2015/16 Medium Term Financial Plan (MTFP) approved by Cabinet on 14th December 2015 (minute no. C3013) predicted the potential for an increase in the level of savings required from 2017/18 onwards. The indication from WG at the time the MTFP was produced was for further reductions in funding. The MTFP was therefore produced using the assumption of a reduction in funding of 4% in 2016/17 and 3% reductions in both 2017/18 and 2018/19. Savings totalling £17.8m were identified for the period 2016/17 to 2017/18, with a shortfall in funding across the 3 years to 2018/19 of £13.1m. The shortfall for 2016/17 was £3.247m.

### Anticipated Outturn 2015/16

8. As shown in previous revenue monitoring reports, an overall net underspend of £492k has been projected for 2015/16.

### Revenue Settlement 2016/17

9. WG's provisional settlement figures for this Council show a total Standard Spending Assessment (SSA) of £213.878m, which represents an adjusted decrease of £94k over 2015/16. There was one transfer into the Revenue Settlement Grant which was £1.255m and related to the Outcome Agreement grant.
10. WG requires each local authority to compare its total budget for education to its IBA (Indicator Based Assessment). It must then report on the reasons why it may have chosen to set a budget for education that differs from its IBA (provisionally £95.180m for the Vale of Glamorgan). The report will need to be made available for consideration by the Council's Schools Budget Forum, full Council and by WG. A proposed draft of this report is attached at [Appendix A](#).
11. The Council's provisional figures from WG for the Revenue Support Grant (RSG) was £112.501m and for Non-Domestic Rates £37.942m. These amounts together total a provisional Aggregate External Finance (AEF) of £150.443m for the Council. On 10<sup>th</sup> February 2016, WG advised the Council that it had updated the provisional AEF and the revised figure would be £150.448m.
12. When taking into account the above, the effective provisional reduction in AEF for the Council is 2.14% (£3.3m). This is £2.8m less than the 4% (£6.1m) assumed in the MTFP.
13. Final notification of the level of all 2016/17 WG grants has not yet been received, however, a reduction in the Families First grant of £179k (11.7%) has been confirmed. £46k had been received in 2015/16 for the Language and Play grant however this has now been discontinued with effect from 31st March 2016. An indicative allocation has been received for the Education Improvement Grant which for the whole consortia indicates a 5% reduction across the region. For this council, this could amount to a reduction of around £245k but an actual deduction has not yet been confirmed. The majority of this grant reduction will sit with the schools but there are some centrally funded budgets that will also be affected. The Post 16 grant is reducing by 2.75% which equates to £181k, although, the actual amount per pupil has increased but there is an apparent decrease in the notional number of pupils in the Vale and therefore there will be a reduction. The Environment and Sustainable Development (ESD) Single Revenue Grant will reduce by £110k, however, a grant from Natural Resources Wales for Biodiversity of £35k will be discontinued and this expenditure is expected to be funded from the ESD grant from 2016/17 onwards. There is a strong indication from WG that the Transition Funding Grant, used for implementing policy changes following the Housing (Wales) Act 2014, will reduce in 2016/17. Further reduction in funding is anticipated for the Youth Offending Service however final confirmation has yet to be received.

14. The Council receives funding for collaborative initiatives. Funding under the Regional Collaboration Fund (RCF) was due to come to an end on 31<sup>st</sup> March 2016, however, it is now anticipated that this will continue for a further 6 months. Funding from the Intermediate Care Fund (ICF) which was used to build on effective working across health, social services and housing, to improve the planning and provision of integrated services, has been included in Health's budget and will increase for 2016/17. The Council will continue to work with Health to take forward schemes which have a proven effectiveness across community and acute environments, linking out-of-hospital care and social care to strengthen the resilience of the unscheduled care system. The level of funding to be allocated to the Council is yet to be determined. The Delivering Transformation Grant which is received to implement the introduction of the Social Services and Well-being (Wales) Act 2014 will continue into 2016/17 and is used for collaborative working with Cardiff Council.

### Budget Strategy 2016/17

15. Cabinet approved the Budget Strategy and Timetable for 2016/17 on 27th July 2015 (minute no. C2865). As part of this strategy, Directors were requested to continue to progress the Reshaping Services Programme.
16. The 2016/17 initial revenue budget proposals showed a provisional shortfall against base budget of £10.774m rising to a possible £18.601m if all cost pressures were to be funded. If all assumed savings of £12.17m were achieved, this would leave a shortfall in 2016/17 of £6.431m. The Budget Working Group (BWG) has undertaken further work to formulate the final revenue budget proposals contained in this report.
17. In particular, the BWG has had regard to the need to achieve a balanced budget both for 2016/17 and in future years. This included:
- The results of consultation with the Schools Budget Forum, scrutiny committees and external stakeholders;
  - Ways in which cost pressures can be reasonably reduced or mitigated;
  - A further review of the proposed savings for 2016/17 onwards;
  - The progression of the Reshaping Services programme;
  - The existing financial strategies in place for Education & Schools, Social Services and Other Services;
  - Possible increases in council tax;
  - The projected funding position for 2017/18 and 2018/19; and
  - The potential to use substantial levels of reserves as part of a defined financial strategy and to allow a more thorough review of options for savings and their implications, alternative methods of service delivery and collaborative ventures.
18. During 2016/17, additional pressure will be placed on staffing budgets as a result of various changes and these pressures have been considered by the BWG. The introduction of the National Living Wage from 1st April 2016, will provide for a minimum hourly rate of £7.20 for workers aged 25 and above. There will be further

pressure in future years when the rate continues to increase to at least £9.00 per hour by 2020. The impact on the cost of directly employed council staff from 1<sup>st</sup> April 2016 is estimated to be approximately £60k and therefore these costs will need to be met from within existing service budgets. This change will however have a significant effect on services the Council commissions from external organisation, in particular for Social Services. The projections include an assumed pay award of 1% for 2016/17 however it is acknowledged that an agreement has yet to be reached. There will also be an increase in employers National Insurance contributions which takes effect from April 2016 and £930k (excluding schools) has been built into the budgets. With regard to schools, in recent years they have received an increase in funding which is in line with the MFC and the same is proposed for 2016/17. The BWG consider that the MFC of £1.655m will cover the additional costs to schools as a result of the change in employer National Insurance contributions.

### Consultation with Scrutiny Committees

19. The 2016/17 initial revenue budget proposals were considered by Cabinet on the 16th November 2015 (minute no C2975) and by each Scrutiny Committee during November/December 2015. In addition to noting the initial revenue proposals, the following recommendations were made by Scrutiny Committees :

- Scrutiny Committee (Social Care and Health) – 30th November 2015 :

*(2) T H A T the Scrutiny Committee (Corporate Resources) agree the Committee's request that all the cost pressures as detailed in Appendix 3 of the report are fully funded.*

*(3) T H A T the Scrutiny Committee (Corporate Resources) notes that the cost pressures as detailed in Appendix 3 of the report could increase in view of the requirement to carry out further work on the impact of the National Living Wage and the new costs associated with the payment of 'travel time' by independent care providers. In addition it was clear that there may be other additional costs, above those already identified in the cost pressures, as a result of the introduction of the Social Services and Well Being Act.*

*(4) THAT the Cabinet be requested to make three separate written representations to Welsh Government on the following:*

- i. The additional costs incurred by the Council as a result of the UK Government's introduction of the National Living Wage and the requirement for domiciliary care providers to pay travel time.*
- ii. The fact that the Social Services and Well Being Act was not cost neutral and that the Council has incurred substantial additional costs as a result of the introduction of this Welsh Government legislation.*

*iii. The fact that the Council now has to fund much of the integration agenda in view of the cessation of RCF and the transfer of the ICF to health boards, and that the Council is also having to fund elements of the Supporting People Programme.*

- Scrutiny Committee (Lifelong Learning) - 7<sup>th</sup> December, 2015 :

*(2) T H A T the Cabinet be requested to give consideration to making available an additional £4m revenue funding specifically for secondary sector schools in the Vale of Glamorgan and to increase the Education Revenue Base budget by this amount in future financial years.*

20. The recommendations of each Scrutiny Committee were referred to the Corporate Resources Scrutiny Committee, which is the lead Scrutiny Committee on the budget. Corporate Resources on 8th December 2015 made the following recommendation :

*(1) T H A T no action be taken with regard to the recommendations from the Scrutiny Committees (Social Care and Health) and (Lifelong Learning) in view of the cost pressures facing the Council overall and as the details of the financial settlement from WG had not yet been received.*

21. Corporate Resources Committee's recommendations were referred to Cabinet on 11th January 2016, minute number C3033. The BWG have noted all the Scrutiny recommendations and the issues raised by the Social Care and Health Committee and the Lifelong Learning Committee are addressed in the relevant sections of this report.

### Consultation with External Stakeholders

22. Consultation on the Corporate Plan 2016-20 and the budget for 2016/17 was carried out with external stakeholders and the results are attached at [Appendix B](#).
23. The primary consultation tool was an online survey. One of the key lessons learned from the 2015/16 budget consultation was that stakeholders did not feel that they were provided with sufficient information on the Council's budget and budget setting process, therefore, a significant amount of information was provided to respondents who accessed the survey online. All members of the Vale Viewpoint citizens panel were invited to respond to the survey, as well as requesting the comments of the town and community councils and local service board partners.
24. The survey asked - "Do you agree that significant changes are needed to the way in which the Vale of Glamorgan Council operates if we are to make the savings required for the next year's budget?". 83% of respondents said "yes" which shows an understanding that actions need to be taken.

25. The survey also asked for views on the four Wellbeing Outcomes and the two objectives that underpin each, as detailed in the draft Corporate Plan. A wide range of views were captured. The results made clear that there are no services that the Council provides which a significant number of service users feel to be unimportant. The services that were rated with the highest level of importance were Primary and Secondary Schools, recycling collection and Child Health and Disability Support services. Improvement to transport services and road maintenance was also raised. A number of residents also supported the possibility of alternative forms of service delivery as a way of reducing costs, specifically working more closely with strategic partners and the third sector. However, they identified the need to ensure that there was no duplication of services provided by the Council and external organisations.
26. Officers attended and facilitated discussions with the 50+ Strategy Forum, the Vale Youth Cabinet and a local Lesbian Gay Bisexual and Transgender (LGBT) support group.
27. The 50+ Strategy Forum discussed where the Council no longer has the money to provide a non-essential service should there be the introduction of a charge to allow the service to continue. There was a slight majority in favour of the introduction of charges for non-statutory services and a clear consensus that both increasing existing charges and introducing new ones was an acceptable way of protecting essential services.
28. There was a consensus from the Vale Youth Cabinet and a local LGBT support group that the proposed outcomes and objectives of the Corporate Plan were the correct area of focus for the Council.
29. A response was received from the Cardiff & Vale University Health Board (UHB) which is attached at [Appendix B](#), the main aspects being as follows :
  - The importance of decisions about social care being taken in the context of agreed integrated service models;
  - Changes to services in Schools may impact on the UHB;
  - Importance of school meals for children;
  - Reduced capacity in care packages could result in hospital discharge delays for patients who have social care needs;
  - Maintaining access to public conveniences;
  - Actions are not taken to deter journeys by foot or bicycle;
  - Maintaining access to essential services while reviewing transport provision;
  - Maintaining the quality of the open environment to provide health benefits;
  - Maintenance of services provided to Health via C1V; and
  - Concern regarding reduction of the voluntary sector budget.
30. The BWG has had regard to all of the above consultation results when formulating the final budget proposals for 2016/17 and beyond. Proposals in respect of certain of the issues raised are detailed in the appropriate service headings under the Proposed Budget section of this report. In particular, additional scarce resources have been allocated to schools, social care and waste whilst existing savings targets have been partly deferred in respect of public conveniences.
31. Reducing inequality continues to be a core theme. Every saving which has been put forward under these final budget proposals will be subject to an equalities scoping

exercise and, where relevant, a full impact assessment will be carried out prior to implementation. The BWG is aware of the pressure on both health and its own services due to the increase in the older people's population and supports the Council's commitment to continue working together with Health and other agencies in order to establish collaborative approaches to managing the issues that affect us.

32. The BWG acknowledges that alternative forms of service delivery are an important way of achieving savings and various options are being assessed as part of the Council's Reshaping Services Programme. These will include cross cutting areas such as working with town & community councils, demand management, effectiveness of spend and income generation.

### Proposed Budget 2016/17

33. The proposed budget for 2016/17 has been set in line with the current financial strategy and a summary of the overall position is attached at [Appendix C](#).
34. Asset rentals are accounting adjustments reflecting charges to services for the use of assets. They do not constitute "real" expenditure and are reversed out and replaced by the cost of capital within Policy. Similarly IAS 19 changes are technical accounting adjustments to the costs of pension contributions, which are reversed out in Policy. Neither of these adjustments are therefore a part of the total expenditure of the Council.
35. Recharges/transfers relate to movements in charges between internal Council Services and the transfer of functions. Overall there is a neutral impact on the budget.
36. Budget Adjustments have a net total of £505k and relate to £600k for the reversal of one off funding previously provided to services, less the £1.105m reduction in the use of the Social Services Fund in 2016/17.
37. Inflation (excluding schools) totals £1.613m of which £1.005m relates to general price increases and a 1% allowance for pay awards amounts to £608k.
38. The BWG has reviewed and updated the cost pressures. Those which cannot be mitigated or reduced are included within the Net Growth figure of £8.104m. The breakdown of this sum is shown at [Appendix D](#).
39. The savings have also been reviewed by the BWG and where necessary have been reprofiled over the 3 year period. Where possible, some savings have been brought forward, while for others, it was considered that further time would be required for their implementation. For 2016/17 these total £9.289m and details are included at [Appendix E](#).
40. As previously proposed, it is intended that £1.5m of the Council Fund Reserve will be used during 2016/17.

## Services

### Learning and Skills

	<b>Educ &amp; Schools</b>	<b>Libraries</b>	<b>Adult Comm Learning</b>	<b>Youth Service</b>	<b>Catering</b>	<b>Art</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget 2015/16	94,086	2,359	265	1,043	1,756	0	99,509
Recharges/Tfrs	(1,532)	(23)	(7)	23	7	113	(1,419)
Inflation	191	18	14	7	34	1	265
Net Growth	1,733	18	6	17	2	1	1,777
Savings	(507)	(296)	(2)	(7)	(352)	0	(1,164)
Changes in Asset Rentals/IAS 19	375	(25)	1	(2)	42	0	391
<b>Budget 2016/17</b>	<b>94,346</b>	<b>2,051</b>	<b>277</b>	<b>1,081</b>	<b>1,489</b>	<b>115</b>	<b>99,359</b>

41. WG have continued to build into the settlement protection for schools via their Minimum Funding Commitment, which is equivalent to 1% above the change in the Assembly's block grant funding allocation from the UK Government. To fulfil WG's commitment, councils need to ensure that their net Individual Schools Budget (ISB) is increased by at least this percentage and then adjusted for changes in pupil numbers.
42. The 2016/17 MFC of 1.8% has been applied to the net Individual Schools Budgets. The protection applied to schools in these budget proposals is, therefore, in accordance with the Minimum Funding Commitment and more information on the exact calculation for the Vale's schools is shown in [Appendix A](#).
43. The net growth as shown at [Appendix D](#) relates to the net MFC increase of £1.655m and the increase in employers national insurance contributions, excluding schools. This is a significant increase in funding for schools, in light of the Education SSA decreasing by £579k from 2015/16. It is acknowledged that the change in employers national insurance contributions, estimated to be £1.2m for schools, has a significant impact on staffing budgets and the BWG therefore considered that it was necessary to provide funding to mitigate such an increase. This level is substantially higher than the net MFC of £263k provided in 2015/16 and funding to this high value is seen as a one off and cannot be guaranteed for future years if there are further reductions in the WG settlement. It is also acknowledged that funding for schools is a high priority from both external consultation and the Lifelong Learning Scrutiny committee.
44. Savings for Learning and Skills in 2016/17 total £1.16m. Full details of the savings are shown at [Appendix E](#). During 2015/16, there has been pressure within the Inclusion Service in relation to inter authority recoupment. A saving of £625k was originally included in the savings target for 2016/17 for Additional Needs. Work is ongoing, not only to achieve this saving, but to reduce the pressure in the service. It was acknowledged by the BWG that further time is needed to implement changes and therefore the savings target has been reprofiled over a 3 year period.

45. It is suggested that the Schools Budget Forum be consulted before any final decision is made on the split of the funding between Central Education and the Schools. It is recommended that delegated authority be given to the Director of Learning & Skills to determine the split in the light of that consultation, subject to the minimum WG target for the ISB being met.

### Social Services

	<b>Children &amp; Young People</b>	<b>Adult Services</b>	<b>Business Mgmt. &amp; Innovation</b>	<b>YOS</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget 2015/16	14,497	37,418	319	672	52,906
Recharges/Tfr	(55)	(204)	(47)	6	(300)
Adjustments	315	790	0	0	1,105
Inflation	136	470	1	10	617
Net Growth	262	2,164	34	13	2,473
Savings	(290)	(700)	(12)	(5)	(1,007)
Changes in Asset Rentals/IAS 19	(7)	(32)	0	0	(39)
<b>Budget 2016/17</b>	<b>14,858</b>	<b>39,906</b>	<b>295</b>	<b>696</b>	<b>55,755</b>

46. The latest projected outturn for Social Services in the current financial year indicates an overspend of £100k. There remains continuing pressures on the service, particularly in relation to the cost of adult care packages which is projecting to outturn this year £850k over budget. This overspend relates mainly to domiciliary care packages provided for frail elderly clients. When the full year effect of this year's commitment is projected into 2016/17, it is anticipated that this could result in an additional £500k of expenditure.
47. The details of the net growth are shown at [Appendix D](#) and include the employers increase in national insurance contributions. Having regard to the current financial pressures and the results of the budget consultation, where concerns were raised by the Social Care and Health Scrutiny Committee and the Cardiff & Vale University Health Board, the BWG acknowledges that there are significant issues in this area. Not only is there an increase in the population, but clients are increasingly frail with complex needs. There is a 'knock on' effect from pressures within Health and work is being undertaken to ensure integration between the two services. However, this will take some time to show results and make a significant impact. There are also pressures on the service from changes in legislation such as the Social Services and Well-being (Wales) Act 2014 which comes into force on 1st April 2016 and the introduction of the National Living Wage. The Social Services SSA for 2016/17 has increased by £2.2m from 2015/16. Taking all these factors into account, it is proposed that an additional £2.2m should be included in the budget. In addition, it is acknowledged that the full impact of the introduction of the Act is not fully known, therefore, it is proposed that the Council's current projected revenue underspend of £492k, as reported to Cabinet on 8<sup>th</sup> February 2016 as part of the latest budget

monitoring report, is transferred into the Social Services Legislative Changes reserve to fund, in the short term, possible increased costs. The actual financial impact on both Adults and Children's Services will be assessed as implementation of the Act progresses.

48. Notwithstanding the issues outlined above, the Service must ensure that it is providing the appropriate packages to clients. As detailed earlier, the ICF grant will continue to be provided to Health and the Director is requested to work with Health to ensure the monies are spent in the most cost effective way. While it is recognised that there are great pressures on the Adult Services budget and that demand is very volatile, the Director of Social Services is asked to mitigate, where possible, the ever increasing demands and should review and implement alternative ways of working and managing demand.
49. Savings for Social Services in 2016/17 total £1.0m. Full details of the savings are shown at [Appendix E](#).
50. During 2012/13, the Social Services Budget Programme was established which outlined a series of savings for future years and provided the required funding for the managed reduction of the budget, via the setting up of the Social Service Fund. The greater the delay in achieving the savings, the higher the use of funding required to cover budget shortfalls. This had to be set against the need to allow sufficient time to ensure that the savings are achievable and sustainable. The following table provides the time-frame for recovery and shows the continued use of the Social Services Fund.

<b>Financial Year</b>	<b>Savings Target £'000</b>	<b>Use of Fund £'000</b>
2016/17	1,012	970
2017/18	605	650
2018/19	320	330
2019/20	330	0
<b>Total</b>	<b>2,267</b>	<b>1,950</b>

51. The Director of Social Services should continue to review the Social Services Budget Plan and take the necessary action to achieve the level of savings required in accordance with the above timeframe. It is also essential that tight control over expenditure is achieved and that no further overspending occurs.

## Environment and Housing

	<b>Visible</b>	<b>Transport</b>	<b>Building</b>	<b>Regulatory</b>	<b>Council Fund Housing</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£000</b>
Budget 2015/16	21,675	3,731	0	2,326	1,218	28,950
Recharges/Tfr	(689)	1,475	(25)	(283)	(111)	367
Adjustments	(500)	0	0	0	0	(500)
Inflation	204	43	10	18	9	284
Net Growth	931	8	15	26	13	993
Savings	(2,193)	(427)	0	(27)	(361)	(3,008)
Changes in Asset Rentals/IAS 19	640	4	0	(4)	(24)	616
<b>Budget 2016/17</b>	<b>20,068</b>	<b>4,834</b>	<b>0</b>	<b>2,056</b>	<b>744</b>	<b>27,702</b>

52. Details of net growth are attached at [Appendix D](#) and include the increase in employers national insurance contributions. As part of the consultation process, residents considered recycling to be a high priority service and, therefore, the BWG thought it appropriate to provide £430k to support the increase in Waste Recycling. As part of a previous year's budget setting, £340k was included as a saving target for the introduction of town centre car parking charges. As a result of the outcome of public consultation and to support the economy of the Vale's town centres, this is now being reconsidered and it is proposed that the budget is reinstated for the coming year, pending a final decision. As part of the closure of the 2014/15 accounts, £500k was transferred into the Visible Services reserve to fund the Big Fill initiative during 2016/17.
53. Savings for 2016/17 are shown at [Appendix E](#) and total £3.0m. £1m of this saving will be achieved by the Prosiect Gwyrdd waste plant contract which is due to be fully operational during 2016/17. A saving of £1.1m was included in 2016/17 as part of the Tranche 1 Reshaping Services programme for Highways. Work has been ongoing, however, it is now considered that this sum will not be achieved from this one area alone and will need to incorporate wider service areas. Proposals are currently being finalised and therefore the BWG considered that reprofiling the saving over 2 years was appropriate.
54. Following further review of the savings by the BWG and as a result of consultation, some of the savings identified for 2016/17 have been reprofiled or reduced e.g. Public Conveniences, street cleaning.

## Managing Director & Resources

	<b>Resources</b>	<b>Regen</b>	<b>Develop Mgt</b>	<b>Private Hsing</b>	<b>General Policy</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£000</b>
Budget 2015/16	963	2,246	1,238	11,047	17,996	33,490
Recharges/Tfr	494	162	(72)	133	635	1,352
Adjustments	0	0	0	0	(100)	(100)
Inflation	265	32	17	111	22	447
Net Growth	235	38	29	10	1,549	1,861
Savings	(1,177)	(232)	(273)	(39)	(2,389)	(4,110)
Changes in Asset Rentals/IAS 19	140	(74)	19	0	(1,053)	(968)
<b>Budget 2016/17</b>	<b>920</b>	<b>2,172</b>	<b>958</b>	<b>11,262</b>	<b>16,660</b>	<b>31,972</b>

55. There has been a transfer into the settlement for the Outcome Agreement grant of £1.255m.
56. The details of net growth are shown at [Appendix D](#) and include the increase in employers national insurance contributions, committed growth of £150k for the provision of debt charges. As a result of the Welsh Language (Wales) Measure 2011, the Welsh Language Commissioner has recently issued legal Compliance Notices to all Councils in Wales which specifies how we must provide and improve services for Welsh speakers. The requirements will be implemented over the coming months across the Council. £100k has therefore been included to cover the additional costs to be incurred by the Council.
57. Savings for 2016/17 are detailed at [Appendix E](#) and total £4.11m. Included as part of the Tranche 2 Reshaping Services programme is £700k which is to be achieved from the Corporate Workstream in 2017/18. The implementation of this review has already commenced and savings of £350k can be brought forward into 2016/17. They will be achieved from the review of grant funding provided by the Council to external organisations and a review of the Policy budgets.

## **Financial Strategy for 2017/18 to 2018/19**

58. The 2014/15 final budget proposals were informed by a budget review exercise that included the reappraisal of the Council's financial strategy. Consequently, separate strategies were put in place for Education & Schools, Social Services and all Other Services.
59. The BWG has continued to have regard to the continued appropriateness of these strategies given the significant level of savings that now have to be found, the relative size of the Education & Schools and Social Services budgets as a proportion of the Council's net budget requirement and the results of the consultation process.

60. It has been assumed that the MFC for schools will remain for 2016/17. Education & Schools increases should at least match the overall percentage change in the Council's budget as amended for adjustments to the council tax reduction scheme (CTRS) and the council tax base. The Council will continue to strive to ensure that the budget for Education will be the same proportion of the Council's total budget as the Education SSA is to the total SSA where it is feasible to do so. This will be dependent on future settlements.
61. The BWG considers that the principles applied above to Education & Schools also continue to apply to Social Services. It is proposed that the financial strategy for all Other Services remains in place. This will require services to manage downwards or meet the bulk of their cost pressures through additional savings. For the purpose of these projections, it has been assumed that the financial strategies set out in this report for Education & Schools and Social Services will continue to be applied.
62. The Council also needs to consider its corporate priorities as set out in the draft Corporate Plan, through the 4 well-being outcomes which are:-
- An Inclusive and Safe Vale;
  - An Environmentally Responsible and Prosperous Vale;
  - An Aspirational and Culturally Vibrant Vale; and
  - An Active and Healthy Vale.
63. These outcomes demonstrate the Council's commitment to the Well-being of Future Generations Act which aims to improve the social, economic, environmental and cultural well-being of Wales and ensures that the needs of the present are met without compromising the ability of future generations to meet their own need. The investment in Education and Social Services supports the well-being outcomes and the aspirations of the Future Generations Act. Even with reductions in funding, where practical, the Council will strive to maintain those Other Services that also contribute to this agenda. Additional funding has been allocated to sustain recycling services, while the introduction of car parking charges in town centres is being reconsidered, with the view of maintaining and stimulating economic growth in these areas.
64. WG has not provided the Council with indicative settlement figures for 2017/18 onwards. The MTFP was based upon a cash reduction of 3% in both 2017/18 and 2018/19. Each 1% change in AEF affects the Council by approximately £1.5m. It is assumed that the same levels of reduction are used for these projections.
65. Pay and price inflation (excluding schools) is estimated at £3.3m based upon a 1% per annum uplift for both areas over the two years. This assumption will be reviewed again when the next iteration of the MTFP is produced.
66. In August 2014, Cabinet agreed in principle to instituting a Reshaping Services strategy and change programme. This programme is the Council's proactive response to central government's austerity drive that has created a period of unprecedented financial pressure in the public sector. As part of the Final Revenue Budget Proposals for 2015/16, saving areas totalling £2.25m were identified for Tranche 1 of the programme which were to be undertaken during 2016/17 and £4.35m for Tranche 2 to be implemented during 2017/18. These savings targets are large and require substantial input for their achievement. As detailed by service area above, some of the targets have been reprofiled over a number of years to ensure

their successful and considered implementation. [Appendix F](#) shows the proposed savings targets for 2017/18 and 2018/19. Identified savings total £7.783m over the two year period.

67. Cost pressures for future years have been considered and assessed by the BWG and total £5.8m for 2017/18 and 2018/19. Details are attached at [Appendix G](#). This includes the MFC for schools which is estimated at £1.0m over the 2 years. The Chancellor announced the introduction of the Apprenticeship Levy in the Summer budget 2015 and consultation has been undertaken with employers as to how it could operate. The government's conclusion is that the Levy will be set at 0.5% of the employer's pay bill and will be collected as part of the PAYE system. The Levy will only be payable on pay bills in excess of £3m. The government is engaging in further discussion and the final proposals are not yet concluded however the planned introduction date is 1<sup>st</sup> April 2017 and the potential impact on the Council could be around £500k. This has therefore been included in future years cost pressures. It is anticipated that the National Living Wage will increase from the £7.20 which is being introduced in April 2016, however, it has not yet been confirmed what the increase will be per year and therefore an initial estimate has been included. Any further cost pressures will need to be managed down or mitigated by Services in order to avoid further savings targets being required.
68. There is also an assumed reduction in the use of the Council Fund Reserve over the period. The projections include a £1.5m use of the Council Fund Reserve in 2016/17 with no further call on the reserve thereafter, thus the required £7m minimum balance considered necessary by the Council's Section 151 Officer should be maintained.
69. Assuming a council tax increase in each of the two years of 2% and adjustments for 'one-off' items flowing from the 2016/17 budget, the table below shows the projected shortfall for the period. It must however be emphasised that these projections are based upon information available at the time and they will be subject to change e.g. changes in AEF. The projection is also based upon the assumed achievement of a high level of savings. The position will be reassessed as part of the MTFP and future year budget setting processes, to identify if these savings are not achieved or are not implemented in the year required, or additional cost pressures are not mitigated.

<b>Financial Projections to 2018/19</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Assumed Decrease in AEF (3% and 3%)	4,513	4,378	8,891
Cost Pressures (inc MFC for Schools)	3,956	1,835	5,791
1% Pay and 1% Price Inflation (excl. schools)	1,629	1,645	3,274
Net Savings Targets	(7,021)	(762)	(7,783)
Assumed 2% Gross Council Tax Increase	(1,257)	(1,282)	(2,539)
Adjustment for 'One Off' Items *	320	320	640
<b>(Surplus)/Shortfall in Savings Required</b>	<b>2,140</b>	<b>6,134</b>	<b>8,274</b>

\* "One off" items relate to the change in the use of the Social Services fund

## Reserves

70. Reserves are a way of setting aside funds from budgets in order to provide security against future levels of expenditure and to manage the burden across financial years. Funds no longer required may be transferred to the Council Fund surplus and then set aside for other purposes or used to reduce council tax.
71. The Council has always taken a prudent approach with regard to Specific Reserves and uses them to mitigate known risks (financial and service) and contingent items, e.g. Insurance Fund. Other Reserves have been established to fund Council priorities, e.g. Visible Services and in particular the Capital Programme, e.g. School Investment Reserve, Project Fund, Building Fund. This is important as the Council has limited capacity to realise sufficient sums from the sale of assets for capital investment. Sums have also been set aside to assist in budget management. The Housing Revenue Account Reserve is ring-fenced to Housing and the majority will be used to fund improvements to the Council's housing stock.
72. The Council presently benefits from a reasonable level of reserves, however, they are not inexhaustible and have taken years of careful financial management to develop to their current position. After several years of real term reductions in funding and with the continuation of austerity measures into the foreseeable future, there is reducing contingency in the normal operational council budgets and the management and use of reserves will become increasingly important to be able to continue to provide services and to mitigate risks, while still trying to deliver corporate priorities.
73. The level of reserves must be considered in the context of the financial risk facing the Council over the coming years.
74. One of the main risks to the Council's financial planning is the uncertainty as to the level of funding to be received from WG in future years. No indication has been provided by WG after 2016/17 however as stated in the recent WG draft budget debate "cuts for Wales are as much a reality for the future as they have been in the past". Projections have been based on the assumed cash reduction in AEF of 3% in both 2017/18 and 2018/19. Each 1% change in AEF affects the Council by approximately £1.5m.
75. Projecting forward on this basis, there is a gap in funding in the coming years that will need to be identified. Savings of £25.3m need to be achieved over the next 3 years, of which £17.1m have been identified. This figure is extremely challenging and there is significant pressure on services to deliver these existing savings in full and on time. There is a risk of non-achievement of these savings and the ability to identify and implement further savings given the already high level of savings previously delivered by services. Reserves have been set up where possible to facilitate this process e.g. Early Retirement Fund, Library Fund, Reshaping Services Fund.
76. There are risks in the budget and the most significant of these are set out in this report. Social Services care packages budget is currently overspending. Even though additional funding has been proposed for 2016/17, further action will need to be undertaken by the Director of Social Services to achieve a balanced budget. The budget recovery plan for Social Services requires an estimated £2m from the Social Services Fund to cover revenue expenditure over the next 3 years to give the Service time to plan and implement remedial action, in order to bring their expenditure within their base budget.

77. Pay and price inflation is a further risk. From 2016/17 onwards, provision has been made in the budget at a rate of 1% for each element. The Consumer Price Index has been gradually reducing and for the year to December 2015 was 0.2%. Services will need to manage spending if inflation rises about the 1% included in their budgets.
78. The budget proposals assume that any reduction in specific grant will be matched by a reduction in expenditure. Details of all specific grants have not yet been finalised and there is a risk that should grants be cut and it is not possible to reduce expenditure correspondingly, the Council could overspend. This risk should be mitigated by the fact that Services should have in place “exit” plans for any specific grant ceasing and are usually aware of likely developments in the level of grant. In the first place each Service would be expected to fund any shortfall from its revenue budget. There are however some reserves held to cover future grant reductions but these can only be seen as a contingency in the short term e.g. Adult Community Learning and Youth Offending reserves. The payment of redundancy costs, when a grant ceases, is not normally allowed as eligible expenditure to be set against the grant and therefore it is for the council to set aside funds to cover this eventuality. A Grant Exit Strategy reserve is being held under the Social Services heading to fund such costs if they arise and in the main relates to the Flying Start grant.
79. Legislative changes provide a major risk to the Council. The impact of the introduction of the Social Services and Well-being (Wales) Act 2014 will be assessed over the coming year and the Social Services Legislative Changes reserve has been increased to mitigate issues in the short term. The introduction of the National Living Wage and the Apprenticeship Levy will put further pressure on staffing budgets. There is uncertainty for future recycling costs as a result of Article 11 of the Revised Framework Directive which are yet to be confirmed. In addition, the impact of changes to welfare reforms are at present not clear and a reserve is held for this purpose.
80. There are risks associated with climate change, in particular energy costs and the Council holds an Energy Fund to implement energy saving initiatives. The effect of adverse weather conditions increase the cost of running and maintaining the Council’s infrastructure and provision needs to continue to be set aside to fund works over and above that held in the normal operational revenue budget, as covered for instance by the Bad Weather reserve.
81. Whilst covered by a separate report on the agenda, it is important to point out that a large proportion of the reserves are held for capital expenditure as well as for revenue purposes. There is a large commitment required for the future development of local schools and for the risks in maintaining aging premises. Also, the Council relies heavily on its IT infrastructure and the Wales Audit Office has recommended that a corporate technology development fund should be held.
82. The Council also holds funds to enable it to fulfil its priorities set out in the Corporate Plan through the 4 well-being outcomes. The Council must demonstrate its commitment to the Well-being of Future Generations Act and ensure that the needs of the present are met without compromising the ability of future generations to meet their own need, thus ensuring that funding is available in the long term through sound financial planning.
83. As part of the usual Budget process, an examination of the level of reserves was undertaken to ascertain their adequacy and strategy for use. The reserves were

examined with a view to their level (i.e. whether the amount held in the fund is sufficient to requirements) and purpose (i.e. whether the need to hold the fund is still relevant).

84. The requirement for each specific reserve has also been considered in light of the Council's priorities and it has been deemed necessary to move funding from lower priority areas to higher priority areas. As a result, it was proposed that £131k of the Property, £29k of the Council workshops and £116k from the Shops reserves are unearmarked and transferred to the Council Building Fund to allow for the continued investment in the Council's property assets. It is also proposed that the £283k Exchequer reserve is unearmarked and transferred into the Welfare Reforms reserve to fund potential pressures when the scheme becomes fully operational.
85. The estimated level of the Council Fund Reserve at 1st April 2016 is £10.041m. The proposed budget for 2016/17 assumes a use of £1.5m from the Council Fund Reserve to fund revenue expenditure. On this basis the reserve is estimated to fall to £8.541m at the end of 2016/17. The strategy for 2017/18 onwards assumes no further use of the Council Fund Reserve to fund the revenue budget.
86. The Section 151 Officer's view is that the minimum level for the Council Fund Reserve is £7m. This is considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure can be substantial and several instances can occur in a year. Whilst there is no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale this is currently about £10.7m. However, in view of the prudent approach the Council takes with regard to Specific Reserves, £7m is considered a reasonable minimum.
87. The Schools Balances are unspent budgets delegated to individual schools. It is projected that the aggregate nursery, primary and secondary balances will be £1.6m surplus at 31st March 2016.
88. Attached at [Appendix H](#) is a schedule showing the reserves and the anticipated balances at the 31st March 2016, 2017, 2018 and 2019. The Appendix sets out the title of the reserve together with its purpose. A summary of the position is set out below:

	<b>Est. Bal. 31/3/2016</b>	<b>Net Movement</b>	<b>Est. Bal. 31/3/2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Summary of Estimated Reserves Projected to 2018/19</b>			
General Reserves	10,041	(1,500)	8,541
Specific Reserves :			
- Insurance Fund	1,373	0	1,373
- Capital Reserves	25,032	(11,557)	13,475
- Other Specific Reserves	21,244	(12,314)	8,930
Total Council Fund Reserves(excl. Schools)	57,690	(25,371)	32,319
Schools Balances	1,644	(54)	1,590
<b>Total Council Fund Reserves</b>	<b>59,334</b>	<b>(25,425)</b>	<b>33,909</b>

89. It is projected that there will be a large fall (42.9%) in the level of reserves over the 3 year period as substantial calls on funds are made. However, these are still deemed to be adequate as known risks are largely covered and the Council Fund Reserve is at a reasonable level, not expected to fall below £7m.

### **Resource Implications (Financial and Employment)**

90. The total budget shown at [Appendix C](#) is £213.288m. After adjusting for discretionary rate relief of £200k, it is £790k below the Council's SSA of £213.878m. The 2015/16 budget was £0.562m below the SSA.
91. The Council's SSA (IBA) is an indication of the relative resources needed to provide a standard level of service. It is based on statistical data and formulae, any of which can be flawed in assessing need. It is used primarily as a method of distributing AEF. It is not an absolute indicator of a required spending level for a particular service in a particular area. It is for local councils to best determine their own spending priorities in light of local circumstances.
92. If the Council decides to budget at £213.288m, deducting from this Revenue Support Grant of £112.506m, redistributed non-domestic rates of £37.942m produces a requirement of £62.84m to be met from council tax. Dividing this by the council tax base of 56,550, gives a level of council tax for this Council's purposes (excluding police and community council precepts) for Band D properties of £1,111.23. This is an increase over the current year of £41.67 or 3.9%. This proposal is subject to the final settlement being received from WG.
93. The average of the Council Tax set by councils in Wales for 2015/16 at Band D was £1,088, whilst the Vale of Glamorgan's was £1,069.56. The BWG's view is that the proposed increase in Council Tax at 3.9% is a reasonable compromise between the pressure on services, particularly in light of the reduction in AEF and consequent level of savings required and the financial pressures facing council taxpayers.
94. The proposed budget uses £1.5m of the Council Fund Reserve. The estimated balance on the Council Fund at 31st March 2017 is £8.5m. The use of reserves for funding recurrent expenditure is clearly not sustainable. With the proposed strategy, it is currently estimated that by 2017/18 no use of the Council Fund Reserve will be required.
95. The 2015/16 MTFP projected a shortfall in funding over the next 3 years of £13.1m even after the identification of £17.8m of savings, thus resulting in the potential requirement for £30.9m of savings. This £13.1m shortfall in funding has now been reduced to £8.3m over the next 3 years through various sources, including a lower than anticipated reduction in the WG settlement of £2.6m, an increase in Council Tax above the assumed figure of 2% plus a change in the Council Tax base totalling £1.8m, a review of cost pressures resulting in a reduction of £1.2m (including changes to one off adjustments) and a reduction in identified savings of £0.8m. The savings target for the next three years is now £25.3m.
96. In order for the Council not to be exposed to unacceptable risk it is essential that all Services maintain their expenditure within budget and that this is a major priority for

Directors, Heads of Service and all Managers. Any further cost pressures will need to be managed down or mitigated by Services.

97. The budget proposals will have implications for the Council's employees and there will be a loss of jobs. The reduction for 2016/17, excluding schools, is estimated to be around 65 in full-time equivalents (FTE). Although the impact on individuals is likely to be mitigated as a result of natural wastage and the deletion of vacant posts, it is, nevertheless, expected that there will be a number of redundancies.
98. The above figures do not include the staffing implications relating to budget pressures within schools as the details need to be considered by individual Governing Bodies and supported by the Director of Learning & Skills. Individual schools will also be impacted by whether they have growing or falling pupil numbers. There are, however, likely to be staff reductions and redundancies depending on each school's circumstances. The Director of Learning & Skills will need to establish the impact of the budget on employees in schools.
99. The Council has an Avoiding Redundancy Procedure that will be followed and includes a requirement for the Council to search for suitable alternative employment. The numbers of employees referred to are those impacted in the budget. There could be further staff implications from other restructuring exercises during the year.
100. The trades unions will continue to be consulted on the details of any potential redundancies once known, as will the Government Department for Business Innovation and Skills in accordance with the Council's own local procedures and statutory requirements.
101. In light of the staffing implications it is essential to ensure that consultation with the trades unions is carried out in accordance with the Council's Avoiding Redundancy Policy and related legal requirements. A Change Forum meets regularly with the trade unions to help co-ordinate the consultation process and deal with cross- directorate issues.
102. The number of potential redundancies over the next few years has required strengthening of the Council's redeployment processes, the tightening of the Council's vacancy control processes and the pursuit of other measures as set out in the Council's Workforce Plan. Where appropriate this may involve a targeted search for voluntary redundancies/reduced hours.

#### Statement of Section 151 Officer on Robustness of Estimates

103. The Local Government Act 2003 requires that the Section 151 Officer (currently the Head of Finance) must report on the robustness of the estimates, which are to be approved by Council. This Section constitutes that assurance.
104. In view of the uncertainties of the current and future economic climate there is increased risk facing the Council's financial position and, as a consequence, the delivery of services. This has been recognised and referenced within this report, where relevant, together with actions that can be taken to manage that risk.
105. Savings are regarded as extremely challenging but achievable and have been carefully examined with risk and measures to mitigate them identified. It is important to stress the importance of the mitigating actions being implemented and the need to consider equality impact assessments.

106. Estimates in the budget report are robust subject to any reservations/ qualification or other commentary contained in the report. All services' expenditures are under pressure and there is always a risk that a service may overspend, particularly in light of unforeseen circumstances.
107. A measure to guard against this will be to monitor the budget during the year and to identify problems as they arise and put in place remedial action. Key to this will be the delivery of savings including those required under the Reshaping Services programme. Cabinet, Scrutiny and Managers continue to have a key role in reviewing and maintaining budgetary performance.
108. Reserves have been again reviewed and are considered adequate to cover contingencies and the risks stated in the report.

### **Sustainability and Climate Change Implications**

109. The promotion of sustainability and action to arrest climate change is central to the work of the Council and a key consideration when allocating scarce resources to meet the needs of the present without compromising the ability of future generations to meet their own needs.

### **Legal Implications (to Include Human Rights Implications)**

110. The Council is required under statute to fix its council tax for 2016/17 by 11th March 2016 and in order to do so will have to agree a balanced revenue budget by the same date.

### **Crime and Disorder Implications**

111. Provision within the budget for Community Safety and other expenditures could have a beneficial effect on the reduction of crime.

### **Equal Opportunities Implications (to include Welsh Language issues)**

112. Councils are required to comply with the Equalities Act 2010 and in particular the Public Sector Equality Duty for Wales.
113. The Council has an existing process for undertaking equality impact assessments and the Equality Impact Assessment (EIA) for the overall budget set out in this report is included at [Appendix I](#). Carrying out an EIA involves systematically assessing the likely (or actual) effects of policies on people in respect of disability, gender, sexuality (including gender identity), age, Welsh language, and racial equality.
114. EIA scoping assessments will be undertaken for each of the approved individual savings for 2016/17 and, where relevant, full assessments will be completed and appropriate consultation undertaken before the savings are implemented.

## **Corporate/Service Objectives**

115. Funds allocated in the budget contribute to the wide range of Corporate/Service Objectives as set out in the Corporate Plan.

## **Policy Framework and Budget**

116. This report is following the procedure laid down in the Constitution for the making of the budget and needs to be referred to Council to make the final decision.

## **Consultation (including Ward Member Consultation)**

117. Scrutiny Committees and Corporate Management Team have been consulted on the initial budget proposals. Trade Unions have been consulted informally on the potential implications of the proposals. External stakeholders were also consulted on the budget priorities.

## **Relevant Scrutiny Committee**

118. The lead Scrutiny Committee is Corporate Resources.

## **Background Papers**

Local Government Provisional Revenue Settlement letter dated 10<sup>th</sup> December 2015.

Update to the Provisional Local Government Settlement 2016/17 dated 10<sup>th</sup> February 2016.

## **Contact Officer**

Carys Lord  
Section 151 Officer

## **Officers Consulted**

Corporate Management Team

## **Responsible Officer:**

Carys Lord  
Section 151 Officer