

Impact of Budget Strategy 2015/16

The budget for 2015/16 has been prepared in continuing difficult financial conditions. This is alongside the bedding in of changing local government financial arrangements. It is worth noting now only 16% of the proposed net budget of £19m is funded by core Government grant (RSG).

There continue to be reductions in the amount of money we receive with a cut in combined funding of 15%. In addition to these cuts in core funding the budget has to accommodate cost pressures from inflation, other Government funding reductions, reductions in parking income from the introduction of Park and Ride and provisions for increased demand from a growing borough.

Our programme of service reviews and development of an increase in commercial efficiencies and income continues to identify resources to meet our cost pressures. In addition a review of previous years spending and income has helped to identify areas where both expenditure and income budget can be reviewed to deliver a saving.

These various approaches have helped to identify £1.6m of savings and extra income. This strategic approach to delivering savings minimises the need to ask services to deliver percentage reductions which may impact on service delivery.

The proposed 2015/16 budget does include £114k of savings from budget reductions. This represents 6% of all proposed savings illustrating the majority of savings have been identified through efficiencies, income or technical budget changes. As such any negative impact on delivering against Strategic Plan priorities can be minimised.

The budget increasingly reflects the changing Government funding streams with income through the New Homes Bonus and to a lesser extent the local retention of business rates becoming important sources of income. The Council is proposing to invest a greater level and proportion of the New Homes Bonus to deliver projects that will support priorities in the new Strategic Plan.

Specifically £547k of the New Homes Bonus has been allocated to support the new Strategic Plan. The Cabinet report on this agenda asks for a decision for officers to prepare an action plan to achieve the commitments in the new Strategic Plan. This funding recognises the different emphasis in the Plan and will allow for a set of ambitious actions to deliver against the new priorities. For example the new Plan has a greater emphasis on our heritage, tourism and business and this will need to be supported with a range of new actions, over and above what we are currently doing.

The rest of the New Homes Bonus money is being used as described earlier in this paper. Many of these projects also reflect the changing emphasis on the Strategic Plan, as well as supporting some of our day to day responsibilities. For example:

- A range of projects to support improvements to the Town centre
- A number of projects aimed at community enabling
- Initiatives that support partnership working
- Transport and Housing related projects
- Projects that will deliver increase income to continue to support our budget strategy.