



## Overview and Scrutiny Committee

### Budget Meeting

**Monday, 1st December 2014 at 6.30 pm in Civic Suite, North Warehouse,  
The Docks, Gloucester, GL1 2EP**

*Please note there will be a private pre-meeting at 6 pm for Overview and Scrutiny Committee Members only*

<b>Membership:</b>	Cllrs. Lugg (Chair), S. Witts (Vice-Chair), Gravells (Spokesperson), Haigh, Hanman, Lewis, Wilson, Ravenhill, Field, Dee, Taylor, Beeley, Hansdot, Toleman and Pullen
<b>Contact:</b>	Sonia Tucker Democratic Services Officer (Scrutiny Support) 01452 396126 sonia.tucker@gloucester.gov.uk

## AGENDA

<b>1.</b>	<b>APOLOGIES</b> To receive any apologies for absence.
<b>2.</b>	<b>DECLARATIONS OF INTEREST</b> To receive from Members, declarations of the existence of any disclosable pecuniary, or non-pecuniary, interests and the nature of those interests in relation to any agenda item. Please see Agenda Notes.
<b>3.</b>	<b>MINUTES</b> (Pages 5 - 10) To approve as a correct record the minutes of the meeting held on 10 November 2014.
<b>4.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b> To receive any questions from members of the public provided that a question does not relate to: <ul style="list-style-type: none"> <li>• Matters which are the subject of current or pending legal proceedings, or</li> <li>• Matters relating to employees or former employees of the Council or comments in respect of individual Council Officers</li> </ul>
<b>5.</b>	<b>PETITIONS AND DEPUTATIONS (15 MINUTES)</b> To receive any petitions and deputations provided that no such petition or deputation is in relation to:

	<ul style="list-style-type: none"> <li>• Matters relating to individual Council Officers, or</li> <li>• Matters relating to current or pending legal proceedings</li> </ul>
<b>6.</b>	<p><b>DRAFT MONEY PLAN 2015/20 AND BUDGET PROPOSALS FOR CONSULTATION 2015/16</b> (Pages 11 - 44)</p> <p>To consider the Council's Draft Money Plan proposals for the period 2015/16 to 2019/20 which will also be used as a framework for the Council's 2015/16 budget consultation process.</p> <p>The format for the session will be as follows:-</p> <ol style="list-style-type: none"> <li>1. Leader of the Council will introduce the report.</li> <li>2. The Cabinet Member for Performance and Resources will add his comments on the report.</li> </ol> <p>Each Cabinet Member will then present their respective portfolios in the following order:-</p> <ol style="list-style-type: none"> <li>1. Cabinet Member for Regeneration and Culture.</li> <li>2. Cabinet Member for Environment.</li> <li>3. Cabinet Member for Performance and Resources.</li> <li>4. Cabinet Member for Communities and Neighbourhoods.</li> <li>5. Cabinet Member for Housing, Health and Leisure.</li> </ol> <p>During their presentations the Cabinet Members will address the following points:-</p> <ol style="list-style-type: none"> <li>1. Current staffing levels.</li> <li>2. Financial pressures for next year, including any potential reduction in income streams.</li> <li>3. The proposed budget savings in their area for next year and how these will impact on the services they provide.</li> <li>4. Any new income streams identified during the process.</li> <li>5. The main priorities for their portfolio and whether any have changed as a result of the Draft Money Plan.</li> </ol>
<b>7.</b>	<p><b>DATE OF NEXT MEETING</b></p> <p>Monday 8 December 2014 at 18.30 hours.</p>

*M. Shields*

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**Martin Shields**  
**Corporate Director of Services and Neighbourhoods**

**Date of Publication: Friday, 21 November 2014**

## NOTES

### Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

<u>Interest</u>	<u>Prescribed description</u>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the Council's area.  For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – (a) the landlord is the Council; and (b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest
Securities	Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Council's area and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with

whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE: the requirements in respect of the registration and disclosure of Disclosable Pecuniary Interests and withdrawing from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

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For further details and enquiries about this meeting please contact Sonia Tucker, 01452 396126, [sonia.tucker@gloucester.gov.uk](mailto:sonia.tucker@gloucester.gov.uk).

For general enquiries about Gloucester City Council’s meetings please contact Democratic Services, 01452 396126, [democratic.services@gloucester.gov.uk](mailto:democratic.services@gloucester.gov.uk).

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- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building; gather at the assembly point in the car park and await further instructions;
- Do not re-enter the building until told by a member of staff or the fire brigade that it is safe to do so.



## OVERVIEW AND SCRUTINY COMMITTEE

**MEETING** : Monday, 10th November 2014

**PRESENT** : Cllrs. Lugg (Chair), S. Witts (Vice-Chair), Gravells (Spokesperson), Haigh, Hanman, Lewis, Wilson, Ravenhill, Field, Dee, Taylor, Hansdot, Toleman,

### **Others in Attendance**

Councillor James, Leader of the Council and Cabinet Member for Regeneration and Culture

Councillor Organ, Cabinet Member for Housing, Health and Leisure

Ashley Green, Chief Executive of Gloucester City Homes

Ms Sam Chambers, Gloucester City Homes

Ms Jacquie Douglas, Business Development Director, Aspire

Ms Cathy Daley, Operations Director, Aspire

John Topping, Head of Finance, Gloucester City Council

Ms Sadie Neal, Head of Business Improvement and Performance, Gloucester City Council

**APOLOGIES** : Cllrs. Beeley and Pullen

### **44. DECLARATIONS OF INTEREST**

Councillors Lugg, Hansdot, Hanman, and Toleman declared a personal interest in agenda item 6 by virtue of their roles on the board of Gloucester City Homes. Councillor S Witts declared a personal interest in agenda item 13 by virtue of her employment at Gloucestershire College.

### **45. MINUTES**

The minutes of the meetings held on 15 September and 13 October 2014 were confirmed as correct records and signed by the Chair. Councillor Gravells requested that the informal action notes taken at the meeting on 13 October 2014 could also be published as an accompaniment to the formal notes recorded.

### **46. PUBLIC QUESTION TIME (15 MINUTES)**

There were no questions from members of the public.

### **47. PETITIONS AND DEPUTATIONS (15 MINUTES)**

**OVERVIEW AND SCRUTINY COMMITTEE**  
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There were no petitions or deputations.

**48. GLOUCESTER CITY HOMES ANNUAL PERFORMANCE MONITORING**

The Chair, having declared an interest in this item, retired to the public gallery. Councillor S Witts took the Chair and welcomed Cabinet Member Councillor Colin Organ, and Mr Ashley Green, Chief Executive of Gloucester City Homes (GCH), to the meeting.

The Committee was presented with a report on GCH's performance during the year 2013-2014. Councillor Organ commended GCH on their achievements and remarked that it would be the last report in this format which would be received by Overview and Scrutiny in view of the impending stock transfer. Mr Green thanked Councillor Organ for his comments and summarised the key headlines in the document. Mr Green added that although the new company would be independent, there would still be a monitoring role for the City Council and that he was keen to sustain the strong partnership which existed.

Members of the Committee paid tribute to Mr Green on the excellent performance of GCH and for his engagement with the community and wished the organisation well for the future.

The Chair thanked Councillor Organ and Mr Green for their presentation.

**RESOLVED – That the report be noted.**

**49. ANNUAL REVIEW OF THE EVICTIONS APPEAL PANEL**

Councillor Lugg returned to the Chair.

The Chair welcomed Ms Sam Chambers of GCH to the meeting.

Councillor Organ and Ms Chambers presented Members with an annual update in respect of outcomes from the delegation of duties of the Gloucester City Council Eviction Appeal Panel to Gloucester City Homes.

Ms Chambers explained that there had been 18 new cases examined by the Panel during the year and that 6 cases had been reviewed. Members were informed that there had been 8 evictions since the last report, 5 of which had emanated from tenants abandoning their property with the consequent accrual of arrears. Out of the remaining 3 evictions, 2 had been considered by the Eviction Appeal Panel.

Members were advised that this would be the last report to Overview and Scrutiny in this format following the impending stock transfer. Councillor Organ confirmed that GCH as the new landlord would continue the commitment of ensuring that evictions were only undertaken when all alternative courses of action had been explored.

A Member queried what procedures GCH would use in future for determining eviction appeals. Ms Chambers responded that GCH was currently reviewing its

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processes and reiterated that GCH would continue to act reasonably and fairly in assessing each case with the overriding consideration being the importance of keeping tenants in their homes where possible.

**RESOLVED – That the report be noted.**

**50. FINANCIAL MONITORING QUARTER 2**

The Chair welcomed Councillor James, Leader of the Council and Cabinet Member for Regeneration and Culture and Mr Jon Topping, Head of Finance, to the meeting.

Councillor James introduced a report which set out financial monitoring information including budget variances, year end forecasts, and progress made against agreed savings targets for the second quarter ended 30 September 2014. The report also highlighted some key performance indicators. Overview and Scrutiny Committee was asked to note the contents of the report and make any recommendations it wished to the Cabinet.

Members discussed the following matters:-

1. Whether the historic budget issue identified in paragraph 6.1 relating to the level of recharges to partners would be addressed. The Head of Finance explained the background to this historic issue and confirmed that work was underway to determine the correct level of income that should be received which in turn would resolve the issue.
2. A Member commented on the presentation of the tables within the report and made positive suggestions to aid the legibility of the tables.
3. The Committee was informed that whilst it was unlikely that all the savings in Appendix A to the report would be achieved in 2014/15 it was anticipated that all of them would be realised in the year 2015/16.
4. There was a discussion on the General Fund. It was noted that the increase in the General Fund was not as high as had been anticipated due to the current forecast overspend of £317K. Councillor James commented that he believed the amount going into the General Fund was adequate.
5. A Member queried the £100K target to be achieved in the Regeneration and Economic Development restructure (paragraph 6.3) and asked where the remaining £80K would be found. The Head of Finance referred the Member to the consultation on the restructure which was currently taking place and stated that he was confident that the remaining £80K savings would be achieved in the year 2015/16.
6. The anticipated reduction in income from catering at the City Museum was discussed. Councillor James explained that this was likely to arise as a result of increased competition and the way the operation was managed.

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7. A Member queried the £356K overspend in the Business Improvement Service and asked for a breakdown of the figures. The Head of Finance agreed to let the Committee have this information before their next meeting.
8. There was a discussion on the investment in IT (paragraph 6.1) with one Member querying how much it was costing to improve systems and network security. Councillor James responded that investment in IT was programmed in the budget.
9. Reference was made to the additional savings target imposed on Amey, the Council's streetcare partner, of £230K which was deemed to be 'at risk' (paragraph 5.4). The Head of Finance confirmed that discussions were still ongoing with Amey in an effort to realise the savings by the end of 2015/16.
10. The Chair asked if the Council benefited from Civica's involvement in other contracts whilst operating from the City Council's buildings. Councillor James confirmed that this was the case with the exception of the IT contract which was only delivered to City Council staff and Members.

**RESOLVED – That the report be noted.**

**51. CABINET FORWARD WORK PROGRAMME**

**RESOLVED – That the Cabinet Forward Work Programme be noted.**

**52. OVERVIEW AND SCRUTINY WORK PROGRAMME**

**RESOLVED – That the Overview and Scrutiny Work Programme be noted.**

**53. MEMBER UPDATE ON OUTSIDE BODIES' ACTIVITIES**

There were no Member updates on this occasion.

**54. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED -**

That the press and public be excluded from the meeting during the following item of business on the grounds that it is likely, in view of the nature of business to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of this item there will be disclosure to them of exempt information as defined in Schedule 12A of the Local Government Act 1972 as amended".

**Agenda Item No.**

**Description of Exempt Information**

**13**

Paragraph 3: information relating to the business or business affairs of any particular person (including the Authority holding that information)



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**55. ASPIRE ANNUAL PERFORMANCE MONITORING**

The Chair welcomed Ms Jacquie Douglas, Business Development Director of Aspire, and Ms Cathy Daley, Operations Director of Aspire, to the meeting.

Cabinet Member, Councillor Organ, briefed Members on the performance report for Aspire Sports and Cultural Trust to its Business Plan for the year ending 2014/14 and introduced Aspire's 5 year business plan for the period 2014/15 to 2018/19. Councillor Organ commended the Trust for its performance during a difficult trading year.

Ms Jacquie Douglas, Business Development Director of Aspire, addressed the Committee. She drew Members' attention to the key headlines in the report.

The Committee discussed the following matters:-

1. Members welcomed the report and the progress made by Aspire and were pleased to note the Trust's charitable aims and the benefits the Trust brought to the City.
2. A Member queried plans for the legacy of the Rugby World Cup. The Business Development Director confirmed that the Chief Executive of Aspire was part of the legacy team and was actively involved in these plans.
3. A Member asked how the Trust attracted a client base from areas of the deprivation in the City. The Business Development Director responded that in addition to GP referral schemes that health trainers worked closely with communities for 12 week periods. After that time a reduced membership scheme was offered. Another pay-limited scheme was an 'HCard' which allowed families to access facilities on a daily basis for £1 or £2 a day without having to commit to monthly membership. The Business Development Director also drew Members' attention to the charity coffee mornings which were arranged which included 'Ladies' Only' free trials on toning tables. The focus of these sessions was on social interaction, with exercise being a by-product.
4. There was a discussion on how Aspire marketed their products with a suggestion that Members could help to publicise the Trust's activities. The use of the 'Hello Gloucester' bus was also mentioned.

**RESOLVED**

1. That the performance report for the year ending 2013/14 be noted.
2. That the 5 year business plan for the period 2014/15 to 2018/19 be accepted.

**56. DATE OF NEXT MEETING**

Monday 1 December 2014 at 18.30 hours.

**OVERVIEW AND SCRUTINY COMMITTEE**  
**10.11.14**

**Time of commencement: 18:30 hours**  
**Time of conclusion: 20:15 hours**

**Chair**



<b>Meeting:</b>	<b>Overview &amp; Scrutiny</b>	<b>1<sup>st</sup> December 2014</b>
	<b>Cabinet</b>	<b>10<sup>th</sup> December 2014</b>
<b>Subject:</b>	<b>Draft Money Plan 2015-20 &amp; Budget Proposals for consultation 2015/16</b>	
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>	
<b>Wards Affected:</b>	<b>All</b>	
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework: No</b>
<b>Contact Officer:</b>	<b>Jon Topping, Head of Finance</b>	
	<b>Jon.topping@gloucester.gov.uk</b>	<b>Tel: 01452 396242</b>
<b>Appendices:</b>	<ol style="list-style-type: none"> <li><b>1. Money Plan 2015 - 20</b></li> <li><b>2. Budget Pressures &amp; Savings</b></li> <li><b>3. Savings Programme</b></li> <li><b>4. 2015/16 – 2017/18 Capital Programme</b></li> <li><b>5. Service Budget Summary Pages</b></li> <li><b>6. Budget Consultation</b></li> </ol>	

## 1.0 PURPOSE OF REPORT

1.1 To review the Council's Draft Money Plan.

## 2.0 RECOMMENDATIONS

Cabinet is asked to RESOLVE:

2.1 That the assumptions contained in the Council's Draft Money Plan from 2015/16 to 2019/20 and revisions to the current year's revenue budget be approved.

2.2 That the uncertainties regarding future incomes, as shown in this report and Appendix 1, and the need to update the Draft Money Plan when there is more certainty regarding Central Government financing be noted.

## 3.0 Introduction

3.1 The Money Plan sets out the Council's strategic approach to the management of its finances and presents indicative budgets and Council Tax levels for the medium term. It covers the General Fund Revenue Budget, the Capital Programme, and Earmarked Reserves. It also comments on the significant financial risks facing the Council in the forthcoming years and explains what the Council is doing to reduce those risks.

3.2 The main objectives of the Money Plan are to:

- explain the financial context within which the Council is set to work over the medium term;
- provide a medium term forecast of resources and expenditure;
- identify the financial resources needed to deliver the Council's priority outcomes;
- achieve a stable and sustainable budget capable of withstanding financial pressures;

- achieve a balanced base budget, minimising the use of balances to meet recurring baseline spending, with the general fund balance being maintained at a minimum of £1.6m by the end of the plan period;
- where possible, additional investment and spending decisions will be made to reflect Council priorities and strategic commitments, with disinvestment and budget savings being made in non-priority areas; and
- ensure capital financing is established at a level that maintains ongoing robustness in the capital programme

#### **4.0 The Local Government Finance Environment**

4.1 The Council's Money plan provides the framework within which revenue spending decisions can be made over the medium term. It is reviewed and updated on an annual basis to take into account any alterations that may be required as a result of changed circumstances. The Draft Money Plan covers a five year period up to 2019/20.

4.2 Local Government is facing the toughest financial outlook for many decades. The Local Government Finance Settlement has seen unprecedented reductions in formula grant.

##### Local Government Finance Settlement 2015/16

4.3 Indicative figures for the 2015-16 settlement were announced alongside the 2014/15 settlement. The 2015/16 settlement represents a deeper reduction in funding in comparison to 2014/15. The reduction in settlement funding in 2015/16 is 13.2% in comparison with 9.4% in 2014/15.

4.4 Council Tax Freeze Grant is expected to be set at 1% and is expected to be included in funding baselines. Any proposed increase in Council Tax is likely to be limited to 2% in 2015/16, although the Draft Money Plan assumes no proposed increase and receipt of Council Tax Freeze Grant.

4.5 The Local Government Finance Settlement 2014-15 was announced on the 18<sup>th</sup> December 2013. This also detailed an illustrative settlement 2015-16. The announcement providing the provisional 2015/16 is expected in early December 2014.

4.6 Consultation on the 2015/16 settlement was issued in July 2014, and few substantive issues were proposed. Highlights from the consultation were as follows;

- Compensation for the 2% cap on the small business rates multiplier.
- Council Tax freeze grant for 2014-15 to be rolled in and combined with the 2013-14 grant in a single element (in line with previous commitments to authorities which freeze Council tax)
- Efficiency Support Grant for 2014-15 (£9.6m) to be rolled in subject to satisfactory performance, as announced at the 2014-15 settlement (only affects a handful of districts and not Gloucester)
- Adding the £2m rural service top-up from 14/15 and rolling into the settlement and combining with existing rural funding element

4.7 The Autumn Statement has been scheduled for the 3<sup>rd</sup> December 2014, and will highlight any potential changes to the 2015/16 settlement. There are however no major changes to the provisional settlement expected. Potential changes are a further cap on Business Rates multiplier and other potential small business reliefs.

- 4.8 The next major uncertainty for local government finance is the general election in May 2015. Post the Election, changes are inevitable regardless of the election outcome. However, a change in government could lead to a significant change in funding policy decisions.
- 4.9 In terms of projecting Local Government funding moving forward projections highlight a possible reduction to overall funding between 2014/15 and 2018/19 at 27% of the 2014/15 base. This projection also highlights the move in emphasis of external funding with the relative size of Revenue Support Grant (RSG) as a share of external funding reducing by half while the relative size of business rates as a share of external funding increases by more than one third.

## **5. Business Rates Retention**

### **Business Rates and the Gloucestershire Business Rates Pool**

- 5.1 The new localised regime on Business Rates took effect in April 2013. Gloucester City is part of a Gloucestershire Business Rates Pool, set up as a mechanism to retain more Business Rates growth funding within the Gloucestershire area and to support economic growth within the area of the Local Enterprise Partnership.
- 5.2 In the first year of this new regime, all members of the pool benefitted financially from being in the pool. A net £771k growth levy was retained locally in Gloucestershire. The first £300,000 was set aside in an appeals/losses reserve. 20% of the remaining surplus, (£94,352), has been set aside in a Strategic Economic Development Fund with the remaining 80% distributed amongst the pool members in accordance with the governance arrangements, of which Gloucester City was able to retain £72k.
- 5.3 Further work on the Business Rates regime has been carried out and the latest forecast indicates that Gloucester could build in a recurring income source from Gloucester City Business Rates growth, estimated at £162k in 2015/16. Cabinet's strategy is to continue as a pool member and to include this growth in Business Rates income as a funding source in the Money Plan from 2015/16 onwards, as part of its priority to safeguard the delivery of Council services. Any additional growth arising as a result of pool membership is not guaranteed and is therefore not included in the base budget. Any growth realised will be allocated to a reserve at the end of the financial year.

## **6. General Fund Revenue Budget - Principles and Key Assumptions**

- 6.1 The principles underpinning the proposed revenue strategy are:
- i. Annually, a balanced revenue budget will be set with expenditure limited to the amount of available resources;
  - ii. No long term use of balances to meet recurring baseline expenditure;
  - iii. Resources will be targeted to deliver Corporate Plan priorities and value for money. Any additional investment and spending decisions will be made to reflect Council priorities and strategic commitments, with disinvestment and budget savings being made in non-priority areas;
  - iv. Maintaining the General Fund balance at a minimum level of at least 10% of our Net Budget Requirement or £1.6m (whichever is the higher).
  - v. Council Tax increases are kept to a minimum.
  - vi. Year on year savings targets to be met by ongoing efficiency gains and service transformation.
- 6.2 **Table 1** below, lists the major **assumptions** that have been made over the five years of the strategy:

<b>Table 1</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Council Tax base growth	0.75%	0.75%	0.75%	0.75%	0.75%
Council Tax inflation	0%	1.99%	1.99%	1.99%	1.99%
Formula Grant (net)	-10%	-5%	-5%	-5%	-5%
Interest Rates (Earned)	0.5%	1.0%	1.50%	2.00%	2.00%
Inflation – Pay	1%	2%	2%	2%	2%
Inflation – contracts	2.5%	2.5%	2.5%	2.5%	2.5%
Inflation – other income	2.5%	2.5%	2.5%	2.5%	2.5%

## **7. Revenue Budget Increases**

### **Pay and Prices Increases**

- 7.1 A 1% pay award allowance has been included for 2015/16. The current proposal being consulted on through the National Joint Council is for a 2 year settlement for both 2014/15 and 2015/16. The net effect of this proposal is in line with the assumed 1% increase for each of the two financial years. Thereafter a provision for a 2% award is included each year.
- 7.2 In addition to the increases to reflect employee pay awards, provision has also been made to meet ongoing additional payments to the pension fund required from the employer to recover the deficit.
- 7.3 The pension fund is subject to a triennial actuarial valuation, the most recent of which has been undertaken by Hymans Robertson LLP during 2013, on behalf of Gloucestershire County Council, the pension fund administrator. A 2.5% increase has been included for 2015/16 with the same provision in each subsequent year.
- 7.4 Prices inflation has been included on selected non-pay items, namely contractual obligations. All other inflationary increases are expected to be absorbed within base budget which represents a real time reduction through efficiency gains.
- 7.5 Prices inflation is included on selected fees and charges at 2.5% p.a. The exceptions are car park income, which is frozen at existing levels for 2015/16 and assumed at 2.5% p.a. growth thereafter.

### **Cost Pressures**

- 7.6 Cost pressures are included in **Appendix 2** and are summarised in **table 2** below:

<b>Table 2</b>	<b>2015/16 £000</b>
<b>Cost Pressures</b>	1,250

- 7.7 Significant cost pressures that have been highlighted through budget monitoring are highlighted at Appendix 2. Some key pressures are highlighted below;

- Historic income budgets levels Guildhall/Garden Waste/Partner recharges.
- General Fund implications of stock transfer
- Utility budgets
- IT operational budgets

7.8 For 2015/16 an estimate has been included for a reduction in recharge to Gloucester City Homes, as a result of the stock transfer that is to be completed before the 31<sup>st</sup> March 2015.

## 8. Efficiency Savings

8.1 The Draft Money Plan forecasts indicate the need for a continued delivery of savings in each year of the Plan.

8.2 In February 2014, Council approved the implementation of the target savings for the Money Plan 2014-19. In addition to savings in previous years further savings of £1.54m in 2015/16 were included. This target figure has reduced to £1.37m due to early implementation of the senior management restructure and expected non delivery of increased garden waste income.

8.3 With the inclusion of the finance settlement figures for 2015/16 and the assumption of further formula grant reductions of 5% p.a. for the two years after that, further savings will be required. The financial gap is £1.382m in 2015/16 which rises to £3.421m by 2019/20.

8.4 As a result of the Council's decision to front load savings in 2014/15 and 2015/16, although still challenging, the forecast required savings in 2016/17 and subsequent years are at a significantly reduced level.

8.5 The savings details are summarised on a cumulative basis in **table 3** below:

<b>Table 3</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>Savings required in year</b>	1,382	205	540	551	743
<b>Cumulative efficiency savings</b>	1,382	1,588	2,127	2,678	3,421
<b>Targeted Savings</b>	1,370	500	500	500	0

8.6 Specific actions to achieve the targeted savings will need to be approved as part of the Council's annual budget setting process in each financial year. **Appendix 3** highlights targeted savings, as presented to Council in February 2014. Changes since this date are the removal of the saving for Garden Waste and the Senior Management saving achieved in 2014/15.

8.7 The efficiencies and budget savings target for 2014/15 was £1.38m. Whilst there has been some slippage in implementation of the savings during 2014/15, compensated by additional savings elsewhere, the full-year impact of the changes will be fully achieved in 2015/16

## 9. Overall Costs

9.1 With the targeted savings included from Table 3, the total costs of the Council, (the "Net Budget Requirement"), falls over the five year period of the Draft Money Plan. The total costs fall from £17,026m in 2015/16 to £16,265m in 2019/20. Any further spending pressures identified in addition to those detailed in **Appendix 2**, over the five year period of the Draft Money Plan, will need to be funded by additional savings.

9.2 Summary budget pages for each service are detailed in **Appendix 5**.

## 10. Revenue Funding

**Formula Grant / Localised Business Rates / Revenue Support Grant**

- 10.1 Our current grant from Government for 2014/15 comprises two formula driven components - Revenue Support Grant (RSG) and a retained Business Rates target. For 2014/15 our RSG element is £3.799m and our Business Rates element is £3.299m, providing £7.098 in total.
- 10.2 The provisional settlement for 2015/16 is expected to have RSG at £2.643m and business rates at £3.390m providing a total of £6.033m.

### **New Homes Bonus**

- 10.3 New Homes Bonus is a grant that commenced in the 2011/12 financial year and is effectively a reward for increasing the number of properties within an area. Whereas previously an increase in the Council Tax base is essentially offset by a reduction in formula grant, central government intends to match-fund the additional Council Tax for each new home for a period of six years.
- 10.4 New Homes Bonus is a significant source of funding for Gloucester City Council. The Council will receive New Homes Bonus in 2014/15 of £2.531m. The current allocation for 2015/16 is not known. However, using the model on the Government's website the amount for 2015/16 is expected to be £3.101m. This allocation is expected to be confirmed before the end of January 2015.

### **Council Tax & Council Tax Freeze Grant**

- 10.5 The Council has frozen Council Tax since 2011/12 and the Government has provided a Council Tax Freeze Grant at various percentage levels
- 10.6 In 2012/13 freeze grant was again provided at 2.5%, but this was for one year only. As part of the 2013/14 settlement freeze grant was provided at 1% for two years - 2013/14 and 2014/15.
- 10.7 The Government has announced a further freeze grant at 1% for the years 2014/15 and 2015/16. However it should be noted that if the Council elected to increase Council Tax by 1.99% in 2015/16 and not accept the freeze grant this would generate additional income of approximately £350k over the life of the plan.
- 10.8 The Government has reaffirmed that if the level of Council Tax rise is 2% or above a referendum would be required. The Money Plan assumes no increase in Council Tax in 2014/15 with a 1.99% increase in subsequent years of the plan.

## **11. General Fund Balance**

- 11.1 The estimated level of the general fund balance in each financial year is shown in **Appendix 1**.
- 11.2 It should also be noted, that although £1.6m is considered an appropriate level of general fund balances to retain each year, the position should be reviewed if the Council delivers a budget surplus at year end. The level of savings required over the next few years, is likely to be so significant, that an opportunity to phase the transition by increasing and then utilising general fund balances, should be considered.
- 11.3 In the financial year 2015/16 it is proposed to draw £12k from the general fund to provide a balanced budget. The targeted savings in 16/17 are expected to contribute to the general fund balance increasing before being drawn on in 2017/2018, 2018/2019 & 2019/2020.

## **12. Capital Programme and Capital Financing**



- 12.1 The key financial details on capital expenditure and financing in the revised money plan for the 3 years from 2015/16, are shown in detail at **Appendix 4**, and summarised below:
1. Capital programme expenditure of £16.468m. Some key projects are, The Kings Quarter Development, City Centre Investment, ICT Projects and externally financed housing projects.
  2. Capital financing comprises grants, Section 106 receipts, Capital receipts and borrowing.
- 12.2 The majority of capital financing will be funded through external borrowing. The future financial commitments will be approved based on specific income generating, or revenue saving business cases to fund the cost of the borrowing. The main exceptions to this policy will be essential works on the Council's buildings, which will result in a reduced maintenance liability or potential increase in asset value.
- 12.3 Wherever possible and desirable, additional one-off capital investments on a business case basis will be made, providing corporate objectives are delivered, and financing is available and affordable within existing budgets, or preferably with the provision of a "spend to save" revenue saving on existing budgets.
- 12.4 The strategy on borrowing is to ensure that any borrowing is only undertaken on a business case basis, and is affordable and paid off over the life of the asset.
- 12.5 **Appendix 4** shows the proposed capital budgets for 3 years from 2015/16 incorporating any carried forward capital budgets and new, approved schemes.

### **13. Budget Consultation**

- 13.1 The Council's budget consultation for 2015/16 has utilised an on-line interactive budget survey developed with Govmetric, a link to which has been available on the Council's website. Leaflets were also available from the reception at the City Council offices at the Docks, GL1, Oxstalls Sports Park, the Guildhall, and at the City and Folk museums.
- 13.2 Any callers to the Council by telephone during the consultation period were also given the opportunity to take part in the survey by customer services staff.
- 13.3 Throughout this process, views of the public and other partners/stakeholders have been sought on the Council's financial plans including levels of spending, potential efficiencies and budget savings, as well as opinions on the level of Council tax increases and other fees and charges.
- 13.4 In addition to the financial appendices, this report also includes the results of the consultation summarised at **Appendix 6**

### **14. Earmarked Reserves**

- 14.1 The Council has limited earmarked reserves with the balance at 31 March 2014 being £112k consisting of;

• Insurance reserve	£10k
• Historic buildings reserve	£63k
• Portfolio Reserves	£10k
• Shopmobility Reserves	£29k

## 15 Alternative Options Considered

- 15.1 The Council must set a budget in time to start collecting Council tax by 1<sup>st</sup> April 2015. Alternative proposals put forward for budget savings will be considered as part of this process.

## 16 Conclusions

- 16.1 This report has outlined the proposed approach to further build on the Council's budget consultation arrangements to inform the 2015/16 budget setting process.

## 17 Legal Implications

- 17.1 Legislation places a duty on the Council, as the Billing Authority, to calculate before 11 March 2015 its budget requirement for 2015/16. The Council also has a statutory requirement to set a balanced budget.

## 18 Risk & Opportunity Management Implications

- 18.1 Covered in the report. The budget is prepared based on the information available at the time of writing. The budget pressures facing the Council have, as far as possible, been built into the budget.
- 18.2 The risks are set out more fully in the report but in summary centre around the continuing economic situation and the possible impact this is likely to have on the public sector, changes to Government funding in future years and the level of the Council's spend from 2015/16 onwards.
- 18.3 In addition to the risks identified in the report, a list of additional identified risks for both the Draft Money Plan and the Budget for 2015/16, along with the mitigations is also shown below:

Risk Identified	Inherent Risk Evaluation		Proposed measures	Residual Risk Evaluation	
	Risk Score			Risk Score	
<ul style="list-style-type: none"> <li>▪ Employee related costs will be more than assumed</li> <li>▪ Other costs will be more than assumed</li> </ul>	Risk Score	6	<ul style="list-style-type: none"> <li>▪ Figures based on known commitments and estimated future costs. Any further pressures will need to be matched by additional identified savings.</li> </ul>	Risk Score	4
		8			
<ul style="list-style-type: none"> <li>▪ Pension fund contributions will be higher than expected.</li> </ul>	Risk Score	6	<ul style="list-style-type: none"> <li>▪ The financial plan will continue to be reviewed and updated annually for a three year period, based on known changes and informed by the most recent actuarial triennial valuation.</li> </ul>	Risk Score	4
<ul style="list-style-type: none"> <li>▪ Planned budget reductions will not be achieved</li> </ul>	Risk Score	8	<ul style="list-style-type: none"> <li>▪ Close monitoring of budgets will be carried out in each financial year.</li> <li>▪ Continuous monitoring of service pressures and ongoing focus on preventative support.</li> </ul>	Risk Score	6

<ul style="list-style-type: none"> <li>▪ Impact of Legislative changes (eg Welfare reform) on Councils ongoing costs</li> </ul>		6	<ul style="list-style-type: none"> <li>▪ Previously agreed changes to Council, tax exemptions and discounts, to help fund the shortfall in financing for local support of Council tax.</li> </ul>		4
<ul style="list-style-type: none"> <li>▪ Income from fees, charges and other sources will not be as high as planned</li> </ul>	Risk Score	12	<ul style="list-style-type: none"> <li>▪ Close monitoring of income budgets will be carried out in each financial year.</li> </ul>	Risk Score	8
<ul style="list-style-type: none"> <li>▪ Timing of Capital Receipts will be later than anticipated or lower than estimated</li> <li>▪ Timing of Capital payments may be earlier than estimated</li> </ul>	Risk Score	8	<ul style="list-style-type: none"> <li>▪ Close monitoring of the timing and payments of capital expenditure/income will be carried out in each financial year. Alternative savings will be identified, or contingency arrangements agreed</li> </ul>	Risk Score	4

## 19 People Impact Assessment (PIA):

- 19.1 People Impact Assessments will be carried out for each line of the budget savings to be proposed to Council in February, to ensure that all relevant considerations are taken into account.

## 20 Other Corporate Implications

1. Community Safety  
None
2. Environmental  
None
3. Staffing  
The budget reductions and efficiency savings will result in a net reduction in staff, which could include possible redundancies.
4. Trade Union  
Ongoing discussions with the Trade Union on both the money plan and budget represent a key element of the overall consultation process.

### Background Documents:

Money Plan 2014-19, February 2014

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**MONEY PLAN 2015-20**

**Appendix 1**

	1	2	3	4	5
	2015/16	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
<b>1. BASE BUDGET b/fwd</b>	<b>15,189</b>	<b>15,656</b>	<b>15,701</b>	<b>15,794</b>	<b>15,729</b>
<b>Pay and Price Increases</b>					
Employees pay awards	79	164	167	170	174
Employers Increased Pension Costs	255	255	255	255	255
Price Increases	341	200	200	200	200
Income Inflation	(88)	(86)	(88)	(91)	(93)
<b>Revised Base Budget</b>	<b>15,776</b>	<b>16,189</b>	<b>16,234</b>	<b>16,329</b>	<b>16,265</b>
<b>Cost Pressures/Savings</b>					
Ongoing base pressures	1,260	90	80	(100)	
Ongoing base savings	(10)	(78)	(20)	0	
	1,250	12	60	(100)	0
<b>2. NET BUDGET REQUIREMENT</b>	<b>17,026</b>	<b>16,201</b>	<b>16,294</b>	<b>16,229</b>	<b>16,265</b>
<b>Sources of Finance</b>					
Revenue Support Grant	2,643	2,379	2,260	2,147	2,039
Business Rates Retention	3,552	3,664	3,770	3,879	3,879
Revised New Homes Bonus	3,101	3,476	3,069	2,812	2,575
Council Tax	6,348	6,477	6,656	6,840	7,029
<b>3. TOTAL SOURCES OF FINANCE</b>	<b>15,644</b>	<b>15,996</b>	<b>15,755</b>	<b>15,678</b>	<b>15,523</b>
<b>Budget Shortfall</b>	<b>(1,382)</b>	<b>(205)</b>	<b>(540)</b>	<b>(551)</b>	<b>(743)</b>
<b>4. PROPOSED BUDGET SAVINGS</b>	1,370				
<b>Revised Budget Shortfall</b>	<b>(12)</b>	<b>(205)</b>	<b>(540)</b>	<b>(551)</b>	<b>(743)</b>
<b>5. FUTURE CHANGES</b>					
Efficiency/Transformation		500	500	500	
<b>Revised Budget (Shortfall)/Surplus</b>	<b>(12)</b>	<b>295</b>	<b>(40)</b>	<b>(51)</b>	<b>(743)</b>
<b>REVISED NET BUDGET REQUIREMENT c/fwd</b>	<b>15,656</b>	<b>15,701</b>	<b>15,794</b>	<b>15,729</b>	<b>16,265</b>
<b>6. GENERAL FUND BALANCE</b>					
Opening Balance	2,457	2,445	2,739	2,700	2,748
Contribution to/(from) General Fund	(12)	295	(40)	(51)	(743)
<b>Closing Balance</b>	<b>2,445</b>	<b>2,739</b>	<b>2,800</b>	<b>2,648</b>	<b>1,906</b>
<b>Cumulative Savings Required</b>	<b>(1,382)</b>	<b>(1,588)</b>	<b>(2,127)</b>	<b>(2,678)</b>	<b>(3,421)</b>

## Description

2015/16 2016/17 2017/18 2018/19 2019/20

**Ongoing base budget increases**

IT Software	80				
Income Pressures - Garden Waste	50				
Income Pressures - Guildhall	200				
National Insurance Contributions		100			
Managing Director	67				
Amortisation of Financial Instruments Reduction Account				(100)	
HB AdminSupport Grant - Single Fraud Investigation Unit	24				
Various smaller cost pressures	174				
Utility Costs	50				
Reduced External Income - Internal Audit	23				
Recharge to GCH (subject to stock transfer)	400				
Insurance Provision	62				
Neighbourhood Planning non recurring	50	(90)			
Minimum Revenue Provision	80	80	80		
<b>Total ongoing Cost Pressures</b>	<b>1,260</b>	<b>90</b>	<b>80</b>	<b>(100)</b>	<b>0</b>

**Budget Savings**

CCTV Camera Savings		(10)	(20)		
Elections		(30)			
Postage Savings	(10)				
<b>Total Ongoing savings</b>	<b>(10)</b>	<b>(40)</b>	<b>(20)</b>	<b>0</b>	<b>0</b>

**Total**

<b>1,250</b>	<b>50</b>	<b>60</b>	<b>(100)</b>	<b>0</b>
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Portfolio	Service	Details: aim of the project	2015/16 £000	Comments
Cabinet Member for the Environment	Neighbourhood Services	Amey contract review, ongoing project from 2013/14 with requirement to identify further savings	(500)	Scoping meetings have been held with Amey as part of a full review of the Waste and Recycling Service. A follow up meeting was held in October when the full extent of the review, was agreed. The review will look at both the method of collection and frequency of collection. Amey are fully engaged and aware of this requirement to review service delivery to deliver the savings and the timescales the Council are working too.
Cabinet Member for Housing, Health & Leisure	Business Improvement	Aspire, ongoing project from 2013/14 with requirement to identify further savings	(200)	Aspire business plan recognises the requirement to reduce the management fee ongoing and has built in required reductions.
	Business Improvement	Energy Savings	(100)	Energy savings to be delivered through the Councils major partnerships
Cabinet Member for Communities & Neighbourhoods  Cabinet Member for Regeneration & Culture	Business Improvement	Voluntary Sector SLA's	(50)	SLA's to be reviewed and streamlined to focus on key areas of support for residents. Both the CAB and the Law Centre are aware of this targeted saving and have been expected to put plans in place.
	Development Services	Planning Services Review	(100)	The required savings would come forward as part of a restructuring of the planning service. This will also explore options for joint working and shared services; some of this work is already in process. A review of Building Control charges and the potential to widen the offer of the service to other client groups could also potentially increase fees for the Council. It is also intended that the Development Control team will review the scale of pre-application charges which could also generate additional income
	Commercial Services	Museums Operational Review	(100)	14/15 achievement of additional income and cost savings, 14/15 major service review and consider the strategic direction of the service.
	Commercial Services	Guildhall Operational review	(100)	14/15 achievement of additional income and cost savings, 14/15 major service review and consider the strategic direction of the service.
Cabinet Member for Performance & Resources	Financial Services	Financial Services Review	(70)	Service review to explore opportunities for restructuring, partnerships, shared working
	Business Improvement	CIVICA, review further savings on contract	(100)	Combination of contract efficiencies and royalties
	Legal Services	Legal Service Review	(50)	Savings are expected to be delivered through a combination of restructuring and potential shared working opportunities currently being explored with One Legal.
<b>TOTAL</b>			<b>(1,370)</b>	

Scheme	Capital Programme			
	2015 / 16 £000	2016 / 17 £000	2017 / 18 £000	2015 - 2018 £000
<b>Resources</b>				
Kings Quarter development	1,170	6,670	900	8,740
Enhancements to assets acquired from SWRDA	21	0	0	21
HCA Regeneration Grant money	50	0	0	50
City Centre Investment Fund	977	460	0	1,437
Voltage Optimisation - Main Buildings	40	0	0	40
GCC Building Improvements	400	300	0	700
ICT Projects	200	200	200	600
Eastgate Rooftop Carpark Improvements	450	0	0	450
<b>Sub total</b>	<b>3,308</b>	<b>7,630</b>	<b>1,100</b>	<b>12,038</b>
<b>Services and Neighbourhoods</b>				
Ranger Centre/Netheridge Barns	10	47	0	57
Drainage and Flood Protection Works	80	50	50	180
Horsbere Brook Local Nature Reserve works	20	40	40	100
Tree Planting - Forestry Commission funded	9	0	0	9
GL1 Roofing works	50	0	0	50
Innsworth Lane Sports Pitches	15	0	0	15
Play Area Improvement Programme	60	60	60	180
City Centre CCTV system	327	20	0	347
Townscape Heritage Initiative - HLF	199	409	455	1,062
Crematorium Heat Exchanger	10	0	0	10
Hillfield Gardens Sensory Garden	22	0	0	22
Housing projects	715	715	539	1,968
Westgate Leisure Area S106	127	0	0	127
Green Farm S106	75	0	0	75
Other Grant Funded Projects (incl S106)	148	57	22	227
<b>Sub total</b>	<b>1,867</b>	<b>1,398</b>	<b>1,166</b>	<b>4,431</b>
<b>Total</b>	<b>5,174</b>	<b>9,028</b>	<b>2,266</b>	<b>16,468</b>

Financing Source	Capital Financing			
	2015 / 16 £000	2016 / 17 £000	2017 / 18 £000	2015 / 18 £000
Lottery Grants	386	574	395	1,354
External Grants (other)	1,993	7,410	1,464	10,867
Section 106	351	57	22	430
Capital Receipts	2,234	552	385	3,171
Borrowing	212	435	0	647
<b>Sub total</b>	<b>5,174</b>	<b>9,028</b>	<b>2,266</b>	<b>16,468</b>

Note: Income generated from Kings Quarter acquisitions will offset project borrowing costs for 2015/16 to 2017/18.



# Gloucester **City Council**

## **REVENUE BUDGET**

**2015/16**

## GENERAL FUND SUMMARY 2015/16

<b>Gloucester City Council</b>	<b>Proposed Budget 2015/16</b>	<b>Resources</b>	<b>Services and Neighbourhoods</b>
<b>Service Expenditure / Income</b>			
Employees	9,003,694	3,304,352	5,699,342
Premises	2,947,110	2,096,270	850,840
Transport	104,020	11,670	92,350
Supplies and Services	4,339,727	2,238,067	2,101,660
Third Party Payments	51,830,540	46,275,670	5,554,870
Capital Charges	0	0	0
Other Charges	40,200	0	40,200
<b>Expenditure Total</b>	<b>68,265,291</b>	<b>53,926,029</b>	<b>14,339,262</b>
<b>Internal Recharges Net Total</b>			
Contributions	(1,943,271)	(1,528,840)	(414,431)
Fees and Charges	(6,497,470)	(2,809,190)	(3,688,280)
Rents and Lettings	0	0	0
Grant Income	(43,655,020)	(43,655,020)	0
Sales Income	(1,214,879)	(41,900)	(1,172,979)
Other Income	(2,363,777)	(1,743,004)	(620,773)
<b>Income Total</b>	<b>(55,674,416)</b>	<b>(49,777,954)</b>	<b>(5,896,461)</b>
<b>Service Expenditure</b>	<b>12,590,875</b>	<b>4,148,075</b>	<b>8,442,801</b>
<b>Corporate Expenditure / (Income)</b>			
Senior Management Cost	67,300		
Interest Payable	644,570		
Interest Receivable	(45,770)		
Pension Contribution	3,355,000		
Insurance Provision	62,000		
Adjustments between accounting basis/funding basis	(1,016,601)		
<b>Net Operating Expenditure</b>	<b>15,657,374</b>		
Council Tax Precept	(6,303,000)		
Retained Business Rates	(3,552,000)		
Central Government Funding	(5,789,277)		
<b>Net Council Position</b>	<b>13,097</b>		

## SERVICES & NEIGHBOURHOODS - DIRECTORATE 2015/16

Services and Neighbourhoods	Proposed Budget		Development	Neighbourhood	Public Protection	Cultural Services		Contact Centre
	2015/16	Director 2015/16	Services 2015/16	Services 2015/16	2015/16	Housing 2015/16	2015/16	2015/16
Employees	5,699,342	105,227	921,926	835,726	1,660,998	601,234	738,067	836,164
Premises	850,840	0	0	170,600	483,490	3,000	193,750	0
Transport	92,350	0	9,350	17,770	52,120	650	2,950	9,510
Supplies and Services	2,101,660	0	255,930	104,190	455,920	373,400	822,840	89,380
Third Party Payments	5,554,870	0	29,480	5,391,790	44,600	62,000	27,000	0
Capital Charges	0	0	0	0	0	0	0	0
Other Charges	40,200	0	0	0	40,000	0	200	0
<b>Expenditure Total</b>	<b>14,339,262</b>	<b>105,227</b>	<b>1,216,686</b>	<b>6,520,076</b>	<b>2,737,128</b>	<b>1,040,284</b>	<b>1,784,807</b>	<b>935,054</b>
Internal Recharges Net Total	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Contributions	(414,431)	0	0	(125,375)	(144,056)	(145,000)	0	0
Fees and Charges	(3,688,280)	0	(769,400)	(950,000)	(1,840,412)	0	(128,468)	0
Rents and Lettings	0	0	0	0	0	0	0	0
Grant Income	0	0	0	0	0	0	0	0
Sales Income	(1,172,979)	0	0	0	(247,186)	0	(925,792)	0
Other Income	(620,773)	0	(37,000)	(71,310)	(404,963)	(105,000)	(2,500)	0
<b>Income Total</b>	<b>(5,896,461)</b>	<b>0</b>	<b>(806,400)</b>	<b>(1,146,685)</b>	<b>(2,636,617)</b>	<b>(250,000)</b>	<b>(1,056,760)</b>	<b>0</b>
<b>Service Expenditure</b>	<b>8,442,801</b>	<b>105,227</b>	<b>410,286</b>	<b>5,373,391</b>	<b>100,511</b>	<b>790,284</b>	<b>728,047</b>	<b>935,054</b>

<b>Development Services</b>	<b>Proposed Budget 2015/16</b>
Employees	921,926
Premises	
Transport	9,350
Supplies and Services	255,930
Third Party Payments	29,480
Capital Charges	0
Other Charges	
<b>Expenditure Total</b>	<b>1,216,686</b>
Internal Recharges Net Total	
Contributions	
Fees and Charges	(769,400)
Rents and Lettings	
Grant Income	
Sales Income	
Other Income	(37,000)
<b>Income Total</b>	<b>(806,400)</b>
<b>Service Expenditure</b>	<b>410,286</b>

**Directorate**

Services and Neighbourhoods

**Director**

Martin Shields

**Service Manager**

Anthony Wilson

**Portfolio**

Regeneration and Culture

**Portfolio Holder**

Councillor Paul James

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
HOUSING STRATEGY & ENABLING	237,730	(86,000)	151,730
GROUP MGR PLANNING & ECONOMY	64,729		64,729
HISTORIC BUILDINGS	29,480		29,480
DEVELOPMENT MANAGEMENT	287,041	(530,000)	(242,959)
PLANNING POLICY	353,407		353,407
BUILDING CONTROL	244,299	(190,400)	53,899
	<b>1,216,686</b>	<b>(806,400)</b>	<b>410,286</b>

<b>Neighbourhood Services</b>	<b>Proposed Budget 2015/16</b>
Employees	835,726
Premises	170,600
Transport	17,770
Supplies and Services	104,190
Third Party Payments	5,391,790
Capital Charges	
Other Charges	
<b>Expenditure Total</b>	<b>6,520,076</b>
Internal Recharges Net Total	
Contributions	(125,375)
Fees and Charges	(950,000)
Rents and Lettings	
Grant Income	
Sales Income	
Other Income	(71,310)
<b>Income Total</b>	<b>(1,146,685)</b>
<b>Service Expenditure</b>	<b>5,373,391</b>

**Directorate**

Services and Neighbourhoods

**Director**

Martin Shields

**Service Manager**

Ross Cook

**Portfolios**

Environment - Communities and  
Neighbourhoods

**Portfolio Holders**

Councillor Jim Porter -

Councillor Jennie Dallimore

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Partnerships and Engagement	384,458		384,458
Neighbourhood Management	5,577,112	(466,310)	5,110,802
Green Garden Waste	12,000	(580,000)	(568,000)
Bulky Waste		(50,000)	(50,000)
Head of Neighbourhood Services	73,531		73,531
Countryside and Land	472,975	(50,375)	422,600
<b>Net Service Expenditure</b>	<b>6,520,076</b>	<b>(1,146,685)</b>	<b>5,373,391</b>

<b>Public Protection</b>	<b>Proposed Budget 2015/16</b>
Employees	1,660,998
Premises	483,490
Transport	52,120
Supplies and Services	455,920
Third Party Payments	44,600
Capital Charges	
Other Charges	40,000
<b>Expenditure Total</b>	<b>2,737,128</b>
Internal Recharges Net Total	
Contributions	(144,056)
Fees and Charges	(1,840,412)
Rents and Lettings	
Grant Income	
Sales Income	(247,186)
Other Income	(404,963)
<b>Income Total</b>	<b>(2,636,617)</b>
<b>Service Expenditure</b>	<b>100,511</b>

**Directorate**

**Director**

**Service Manager**

**Portfolios**

**Portfolio Holders**

Services and Neighbourhoods

Martin Shields

Gill Ragon

Communities and Neighbourhoods - Housing,  
Health and Leisure - Regeneration and Culture -  
Environment

Councillor Jennie Dallimore - Councillor Colin  
Organ - Councillor Paul James - Councillor Jim  
Porter

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
<b>Cemeteries and Crematorium</b>	897,772	(1,678,807)	(781,035)
<b>Emergency Planning and Flood Prevention</b>	291,928	(15,000)	276,928
<b>Shopmobility</b>	31,347	(24,000)	7,347
<b>Food Safety, Licensing and Markets</b>	664,291	(814,850)	(150,559)
<b>Health and Safety</b>	190,760		190,760
<b>Head of Public Protection</b>	72,811		72,811
<b>Community Safety</b>	230,168	(28,000)	202,168
<b>Private sector Housing and Planning Enforcement</b>	358,051	(75,960)	282,091
<b>Net Service Expenditure</b>	<b>2,737,128</b>	<b>(2,636,617)</b>	<b>100,511</b>

<b>Housing</b>	<b>Proposed Budget 2015/16</b>
Employees	601,234
Premises	3,000
Transport	650
Supplies and Services	373,400
Third Party Payments	62,000
Capital Charges	0
Other Charges	0
<b>Expenditure Total</b>	<b>1,040,284</b>
Internal Recharges Net Total	
Contributions	(145,000)
Fees and Charges	
Rents and Lettings	
Grant Income	
Sales Income	
Other Income	(105,000)
<b>Income Total</b>	<b>(250,000)</b>
<b>Service Expenditure</b>	<b>790,284</b>

**Directorate** Services and Neighbourhoods  
**Director** Martin Shields  
**Service Manager** Mary Hopper  
**Portfolio** Housing, Health and Leisure  
**Portfolio Holder** Councillor Colin Organ

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
REHOUSING	155,622		155,622
HOMELESSNESS	529,614	(150,000)	379,614
HOMELESSNESS PREVENTION	355,048	(100,000)	255,048
<b>Net Service Expenditure</b>	<b>1,040,284</b>	<b>(250,000)</b>	<b>790,284</b>

<b>Cultural Services and Tourism</b>	<b>Proposed Budget 2015/16</b>
Employees	738,067
Premises	193,750
Transport	2,950
Supplies and Services	822,840
Third Party Payments	27,000
Other Charges	200
<b>Expenditure Total</b>	<b>1,784,807</b>
Internal Recharges Net Total	
Contributions	
Fees and Charges	(128,468)
Rents and Lettings	
Sales Income	(925,792)
Other Income	(2,500)
<b>Income Total</b>	<b>(1,056,760)</b>
<b>Service Expenditure</b>	<b>728,047</b>

<b>Directorate</b>	Services and Neighbourhoods
<b>Director</b>	Martin Shields
<b>Service Manager</b>	Vacant
<b>Portfolio</b>	Regeneration and Culture
<b>Portfolio Holder</b>	Councillor Paul James

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
<b>Guildhall</b>	606,943	(508,056)	98,887
<b>Tourist Information Centre</b>	562,532	(423,431)	139,101
<b>Museums</b>	335,232	(125,273)	209,960
<b>Events</b>	121,000		121,000
<b>Cultural Services Support</b>	159,100		159,100
<b>Net Service Expenditure</b>	<b>1,784,807</b>	<b>(1,056,760)</b>	<b>728,047</b>



<b>Contact Centre and Customer Services</b>	<b>Proposed Budget 2015/16</b>
Employees	836,164
Premises	
Transport	9,510
Supplies and Services	89,380
Third Party Payments	
Capital Charges	0
Other Charges	
<b>Expenditure Total</b>	<b>935,054</b>
Internal Recharges Net Total	
Contributions	
Fees and Charges	
Rents and Lettings	
Grant Income	
Sales Income	
Other Income	
<b>Income Total</b>	<b>0</b>
<b>Service Expenditure</b>	<b>935,054</b>

<b>Directorate</b>	Services and Neighbourhoods
<b>Director</b>	Martin Shields
<b>Service Manager</b>	Wendy Jones
<b>Portfolio</b>	Communities and Neighbourhoods
<b>Portfolio Holder</b>	Councillor Jennie Dallimore

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Contact Centre	601,271	0	601,271
Business Support	333,783		333,783
<b>Net Service Expenditure</b>	<b>935,054</b>	<b>0</b>	<b>935,054</b>

**RESOURCES - DIRECTORATE 2015/16**

<b>Resources</b>	<b>Proposed Budget 2015/16</b>	<b>Director 2015/16</b>	<b>Regen and Economic Development</b>	<b>Finance 2015/16</b>	<b>Audit 2015/16</b>	<b>HR &amp; OD 2015/16</b>	<b>Legal &amp; PD 2015/16</b>	<b>Business Improvement 2015/16</b>
Employees	3,304,352	104,228	805,133	492,738	278,207	438,283	897,157	288,606
Premises	2,096,270	0	2,096,270	0	0	0	0	0
Transport	11,670	460	1,380	500	550	800	7,080	900
Supplies and Services	2,238,067	2,790	155,660	375,790	2,020	30,940	674,727	996,140
Third Party Payments	46,275,670	0	422,500	42,278,000	0	500	4,000	3,570,670
Capital Charges	0	0	0	0	0	0	0	0
Other Charges	0	0	0	0	0	0	0	0
<b>Expenditure Total</b>	<b>53,926,029</b>	<b>107,478</b>	<b>3,480,943</b>	<b>43,147,028</b>	<b>280,777</b>	<b>470,523</b>	<b>1,582,964</b>	<b>4,856,316</b>
Internal Recharges Net Total	0	0	0	0	0	0	0	0
Contributions	(1,528,840)	0	0	(60,000)	(89,420)	(20,000)	(94,420)	(1,265,000)
Fees and Charges	(2,809,190)	0	(2,484,050)	(16,140)	0	0	(189,000)	(120,000)
Rents and Lettings	0	0	0	0	0	0	0	0
Grant Income	(43,655,020)	0	0	(42,741,820)	0	(65,000)	0	(848,200)
Sales Income	(41,900)	0	(32,800)	(9,100)	0	0	0	0
Other Income	(1,743,004)	0	(1,490,004)	(15,000)	0	0	0	(238,000)
<b>Income Total</b>	<b>(49,777,954)</b>	<b>0</b>	<b>(4,006,854)</b>	<b>(42,842,060)</b>	<b>(89,420)</b>	<b>(85,000)</b>	<b>(283,420)</b>	<b>(2,471,200)</b>
<b>Service Expenditure</b>	<b>4,148,075</b>	<b>107,478</b>	<b>(525,911)</b>	<b>304,968</b>	<b>191,357</b>	<b>385,523</b>	<b>1,299,544</b>	<b>2,385,116</b>

<b>Regeneration</b>	<b>Proposed Budget 2015/16</b>
Employees	805,133
Premises	2,096,270
Transport	1,380
Supplies and Services	155,660
Third Party Payments	422,500
Capital Charges	
Other Charges	
<b>Expenditure Total</b>	<b>3,480,943</b>
Internal Recharges Net Total	
Contributions	
Fees and Charges	(2,484,050)
Rents and Lettings	
Grant Income	
Sales Income	(32,800)
Other Income	(1,490,004)
<b>Income Total</b>	<b>(4,006,854)</b>
<b>Service Expenditure</b>	<b>(525,911)</b>

**Directorate**

**Director**

**Service Manager**

**Portfolio**

**Portfolio Holder**

Resources

Vacant

Anthony Hodge

Regeneration and Culture

Councillor Paul James

<b>Summary By Service Area 2015-16</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Parking	1,226,550	(2,127,300)	(900,750)
Economic Development	440,963		440,963
Asset Management	1,813,430	(1,879,554)	(66,124)
<b>Net Service Expenditure</b>	<b>3,480,943</b>	<b>(4,006,854)</b>	<b>(525,911)</b>

<b>Proposed Budget</b>	
<b>Financial Services and Revenues and Benefits</b>	<b>2015-16</b>
Employees	492,738
Premises	
Transport	500
Supplies and Services	375,790
Third Party Payments	42,278,000
Capital Charges	
Other Charges	
<b>Expenditure Total</b>	<b>43,147,028</b>
Internal Recharges Net Total	
Contributions	(60,000)
Fees and Charges	(16,140)
Rents and Lettings	
Grant Income	(42,741,820)
Sales Income	(9,100)
Other Income	(15,000)
<b>Income Total</b>	<b>(42,842,060)</b>
<b>Net Service Expenditure</b>	<b>304,968</b>

**Directorate**  
**Director**  
**Service Manager**  
**Portfolio**  
**Portfolio Holder**

Resources  
Vacant  
Jon Topping  
Performance and Resources  
Councillor David Norman MBE

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Head of Finance	91,896		91,896
Financial Services	391,427	(18,740)	372,687
Treasury Management	126,000		126,000
Procurement	100,205	(66,500)	33,705
Corporate	159,500		159,500
Revenues and Benefits Service	42,278,000	(42,756,820)	(478,820)
<b>Net Service Expenditure</b>	<b>43,147,028</b>	<b>(42,842,060)</b>	<b>304,968</b>

<b>Internal Audit</b>	<b>Proposed Budget 2015/16</b>
Employees	278,207
Premises	
Transport	550
Supplies and Services	2,020
Third Party Payments	
Capital Charges	
Other Charges	
<b>Expenditure Total</b>	<b>280,777</b>
Internal Recharges Net Total	
Contributions	(89,420)
Fees and Charges	
Rents and Lettings	
Grant Income	
Sales Income	
Other Income	
<b>Income Total</b>	<b>(89,420)</b>
<b>Service Expenditure</b>	<b>191,357</b>

**Directorate**

**Director**

**Service Manager**

**Portfolio**

**Portfolio Holder**

Resources

Vacant

Terry Rodway

Performance and Resources

Councillor David Norman MBE

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Internal Audit	280,777	(89,420)	191,357
<b>Net Service Expenditure</b>	<b>280,777</b>	<b>(89,420)</b>	<b>191,357</b>

<b>Human Resources &amp; Organisational Development</b>	<b>Proposed Budget 2015/16</b>
Employees	438,283
Premises	
Transport	800
Supplies and Services	30,940
Third Party Payments	500
Capital Charges	
Other Charges	
<b>Expenditure Total</b>	<b>470,523</b>
Internal Recharges Net Total	
Contributions	(20,000)
Fees and Charges	
Rents and Lettings	
Grant Income	(65,000)
Sales Income	
Other Income	
<b>Income Total</b>	<b>(85,000)</b>
<b>Service Expenditure</b>	<b>385,523</b>

**Directorate**

**Director**

**Service Manager**

**Portfolio**

**Portfolio Holder**

Resources

Vacant

Vacant

Performance and Resources

Councillor David Norman MBE

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Human Resources	257,886		257,886
Organisational Health	20,000		20,000
Training Schemes	163,037	(85,000)	78,037
Inhouse Training	29,600		29,600
<b>Net Service Expenditure</b>	<b>510,140</b>	<b>(85,000)</b>	<b>385,523</b>

<b>Legal &amp; Policy Development</b>	<b>Proposed Budget 2015/16</b>
Employees	897,157
Premises	0
Transport	7,080
Supplies and Services	674,727
Third Party Payments	4,000
Capital Charges	
Other Charges	
<b>Expenditure Total</b>	<b>1,582,964</b>
Contributions	(94,420)
Fees and Charges	(189,000)
Rents and Lettings	
Grant Income	
Sales Income	
Other Income	0
<b>Income Total</b>	<b>(283,420)</b>
<b>Service Expenditure</b>	<b>1,299,544</b>

**Directorate**

Resources

**Director**

Vacant

**Service Manager**

Sue Mullins

**Portfolio**

Performance and Resources

**Portfolio Holder**

Councillor David Norman MBE

<b>Summary By Cost Centre 2015-16</b>	<b>Total Expenditure</b>	<b>Total Income</b>	<b>Net</b>
CIVIC ADMIN AND HOSPITALITY	47,968	0	47,968
MEMBERS SUPPORT	323,186		323,186
INTERNAL COMMUNICATIONS	2,300		2,300
EXTERNAL COMMUNICATIONS	42,500		42,500
PUBLICATIONS	134,515		134,515
LAND SEARCHES	35,100	(155,000)	(119,900)
DEMOCRATIC SERVICES	186,963		186,963
LEGAL SERVICES	368,151	(34,000)	334,151
REGISTRATION OF ELECTORS	260,243	(94,420)	165,823
COPORATE SUPPORT TEAM	93,473		93,473
GROUP MGR LEGAL & DEM SUPPORT	88,565		88,565
<b>Net Service Expenditure</b>	<b>1,582,964</b>	<b>(283,420)</b>	<b>1,299,544</b>

<b>Business Improvement</b>	<b>Proposed Budget 2015/16</b>
Employees	288,606
Premises	0
Transport	900
Supplies and Services	996,140
Third Party Payments	3,570,670
Capital Charges	
Other Charges	
<b>Expenditure Total</b>	<b>4,856,316</b>
Internal Recharges Net Total	
Contributions	(1,265,000)
Fees and Charges	(120,000)
Rents and Lettings	
Grant Income	(848,200)
Sales Income	
Other Income	(238,000)
<b>Income Total</b>	<b>(2,471,200)</b>
<b>Service Expenditure</b>	<b>2,385,116</b>

**Directorate**

Resources

**Director**

Vacant

**Service Manager**

Sadie Neal

**Portfolio**

Performance and Resources

**Portfolio Holder**

Councillor David Norman MBE

<b>Summary By Cost Centre 2015-16</b>	<b>Total</b>		
	<b>Expenditure</b>	<b>Total Income</b>	<b>Net</b>
Civica IT contract	490,000		490,000
IT Software and Equipment	717,990		717,990
Business Planning & Performance	250,609		250,609
Client Revs & Bens Contract	197,047	(1,306,200)	(1,109,153)
Civica Contract Revs & Bens	1,768,660		1,768,660
Civica Forest of Dean	755,000	(755,000)	0
Aspire	557,010	(290,000)	267,010
<b>Net Service Expenditure</b>	<b>4,736,316</b>	<b>(2,351,200)</b>	<b>2,385,116</b>



## 1. Results of Budget Consultation

- 1.1 The council's budget consultation for 2015/16 has utilised an on-line interactive budget survey developed with Govmetric, a link to which has been available on the council's website. Leaflets were also available from the reception at the City Council offices at the Docks, GL1, Oxstalls Sports Park, the Guildhall, and at the City and Folk museums.
- 1.2 Any callers to the council by telephone during the consultation period were also given the opportunity to take part in the survey by customer services staff.
- 1.3 Throughout this process, views of the public and other partners/stakeholders have been sought on the council's financial plans including levels of spending, potential efficiencies and budget savings, as well as opinions on the level of council tax increases and other fees and charges.
- 1.4 The online and offline consultation also highlighted the savings the City Council has already made and highlighted the share of Council tax received by the City.
- 1.5 There were 652 responses received as part of the consultation process

## 2. Consultation responses

Q. *Which Council Services are most important to you?*

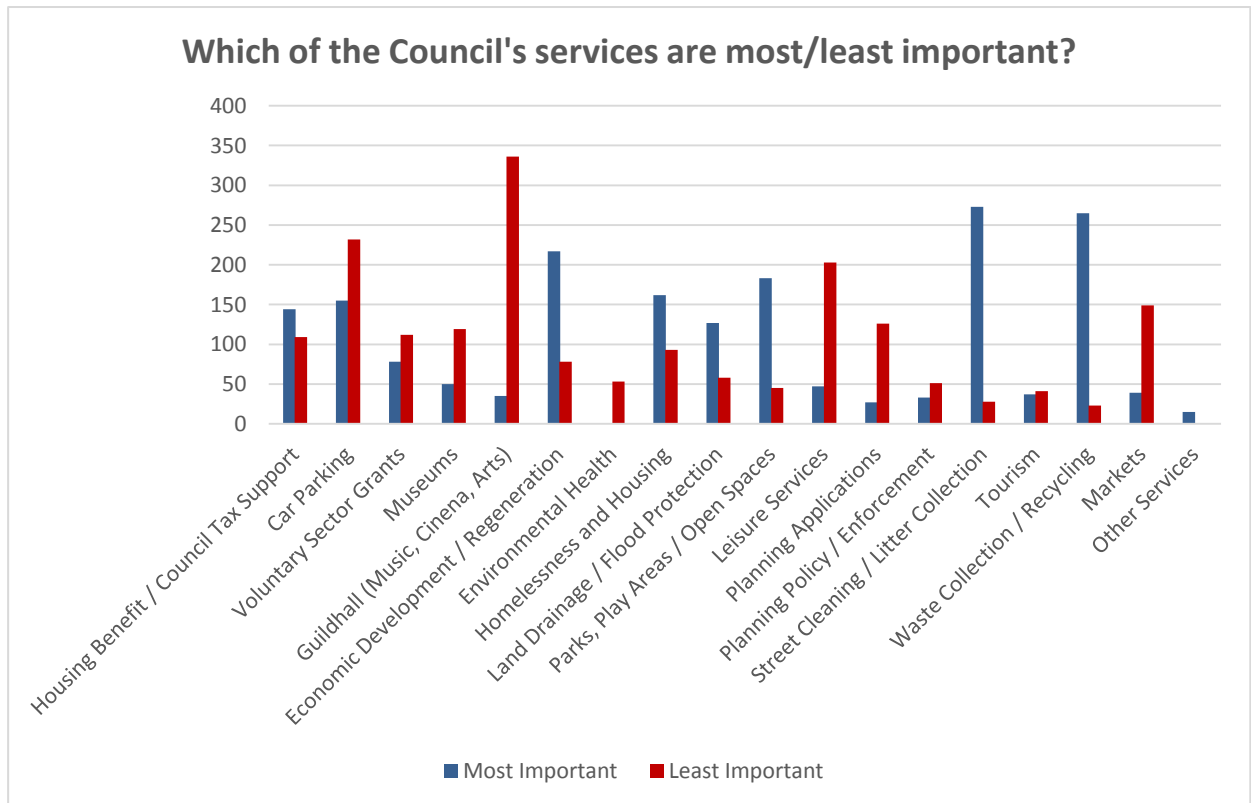
The consultation asked for the people to select the 3 **most** important services provided by the Council from eighteen options, the top 6 and the % are as follows;

1.	Street Cleansing & Litter Collection	14.5%
2.	Waste Collection	14%
3.	Economic Development	11.5%
4.	Parks, play areas and open spaces	9.7%
5.	Homelessness	8.6%
6.	Car Parking	8.2%

The consultation asked for the people to select the 3 **least** important services provided by the Council from eighteen options, the top 6 and the % are as follows;

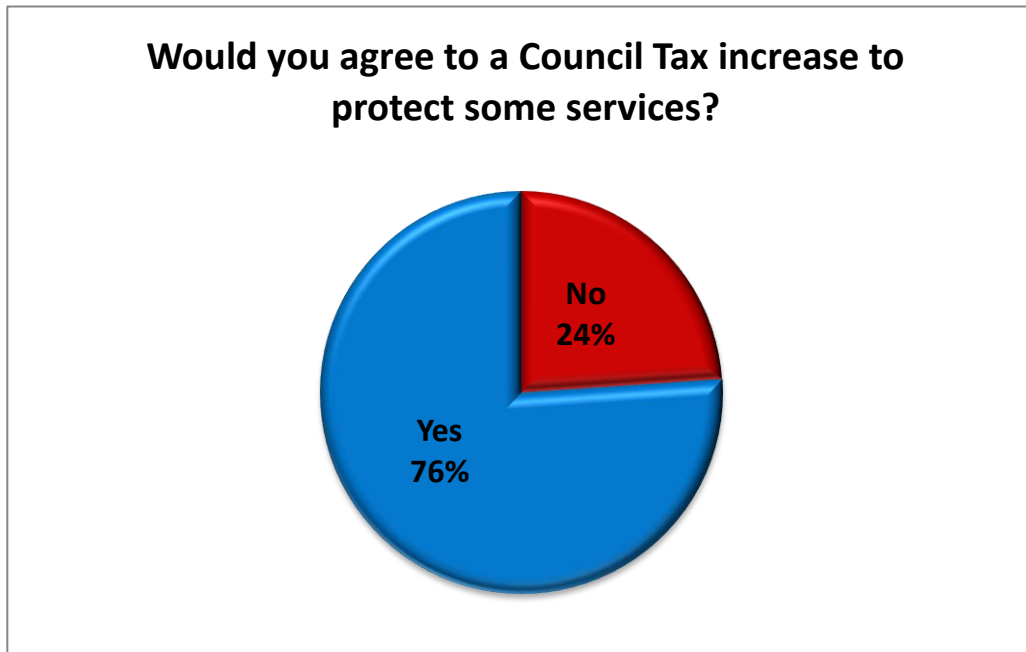
1. Gloucester Guildhall (Music, Cinema, Arts) 18.1%
2. Car parking 12.5%
3. Leisure Services 10.9%
4. Markets 8.0%
5. Planning 6.8%
6. Museums 6.4%

The chart below details response for all areas;



Q. *Would you agree to a council tax increase to protect some services?*

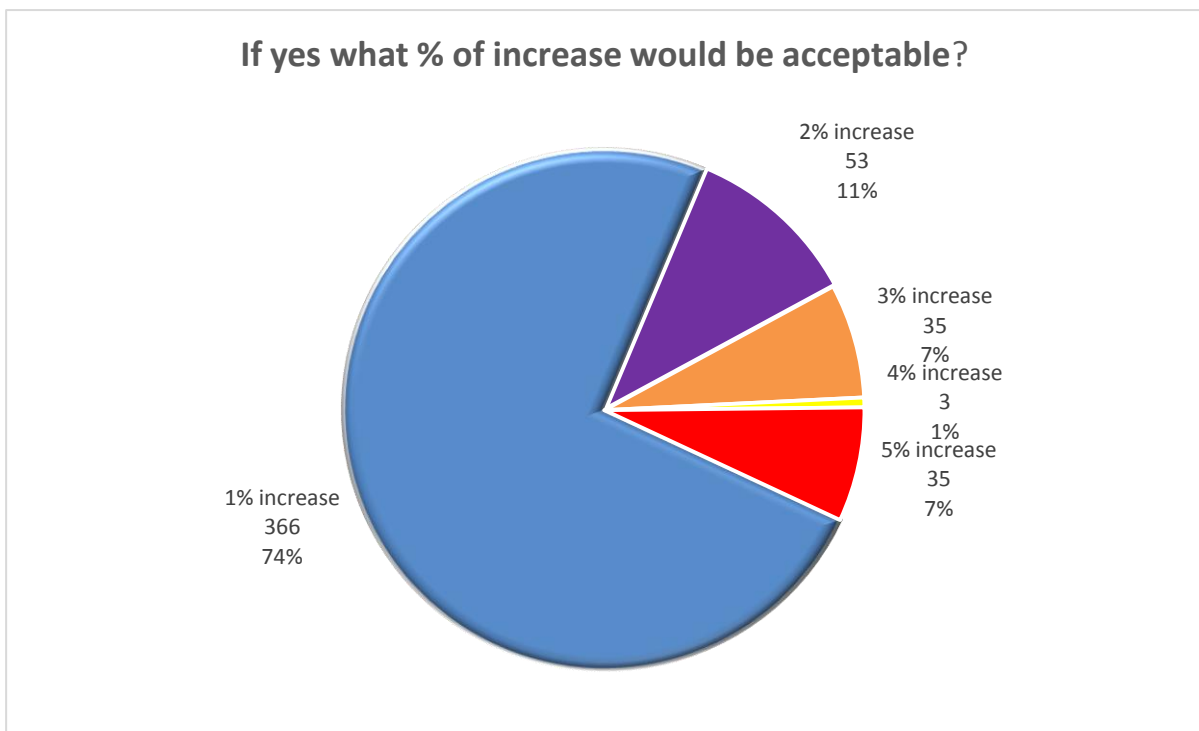
The chart below details response to this question;



A subsidiary to this question was;

*If yes, what level of increase would be acceptable?*

The chart below details response to this question;



Q. Should the council increase or make additional charges for services

The consultation asked for the people to select charges by the Council from 7 options, and also any other possible options;

The chart below details response to this question of charges to increase, decrease or no change;

