Report of the
Director of Policy and Resources

Agenda item No: 3(b)
Meeting: 25 February 2014

NORTH LINCOLNSHIRE COUNCIL

COUNCIL

REVENUE BUDGET 2014/15 AND FINANCIAL PLAN 2014/18

1. OBJECT AND KEY POINTS IN THIS REPORT

1.1 The report provides information on the financial position of the council and sets out budget proposals for 2014/15 and for the next three years.

1.2 It gives assurance on the council's financial resilience, confirms that the estimates presented in the report are robust and that reserves are adequate. This meets the requirements of section 25 of the Local Government Act 2003 and provides a basis for council to set a balanced budget.

1.3 The key decisions in this report are:

- To decide the council's revenue budget for 2014/15
- To set the council tax for 2014/15
- To approve the financial strategy for 2014/18

This meets the requirements of Sections 31 to 52 of the Local Government Finance Act 1992 as modified by subsequent legislation.

1.4 The Localism Act 2011 requires the council to hold a public referendum should the proposed council tax increase be 'excessive' as determined by the Secretary of State. For 2014/15 the level of increase is 2%. Should one of the council's major precepting bodies, set excessive increases the council is required to conduct a referendum on their behalf.

2. BACKGROUND INFORMATION

2.1. The Financial Strategy paper on this agenda explains the local government finance system. It also provides an assessment of the resources available to the council for the next four **years.**

2.2. The purpose of this paper is to consider detailed budget proposals for 2014/15 and beyond and to provide Council with the information and analysis necessary to set a revenue budget and council tax for the next financial year 2014/15. The proposals identify options for delivering council services from reduced resources, while aiming as far as possible to maintain front-line services.

2.3 As billing authority for the area the Council is responsible for levying a council tax not only to meet its own demands, but also to meet **the precepts of lower and higher tier authorities in the area,** and to collect that tax on their behalf. The precepting bodies are:

- Parish and town councils in North Lincolnshire
- Humberside Police and Crime Commissioner
- Humberside Fire Authority

2.4 Each precepting body decides its own budget and council tax requirement. Special expenses for Scunthorpe, which are equivalent to the parish precept, are also set by the council. This meets the cost of those services provided by the council to Scunthorpe residents (including parks, playgrounds and community centres) which elsewhere are provided by town or parish councils. At its meeting in December 2013, Council approved grant support to compensate parishes for the loss of tax due to the Council Tax Reduction Scheme; on condition that they froze their band D precept. The precept decision and grant entitlement for each parish and town council is shown at **Appendix C**.

2.5 The Localism Act 2011 introduced a new requirement for council tax referendums. It requires the council to hold a public referendum should the proposed council tax increase be 'excessive' as determined by the Secretary of State. For 2014/15 the level of increase is 2%.

2.6 Should North Lincolnshire Council or one of the council's major precepting bodies set an 'excessive' increase the council is required to conduct a referendum. It must also produce a substitute set of figures, which will apply if the proposed increase is not approved at referendum. For 2014/15 the Police and Crime Commissioner has set an increase of 1.99% in the Police precept and the Fire Authority has yet to set its precept which will be notified at the council meeting. The Police precept is below the referendum limit. The referendum requirement does not currently apply to parish and town councils.

3. OPTIONS FOR CONSIDERATION

When formulating the financial strategy the available resources need to be matched to the statutory and other spending priorities of the council. A wider range of issues also need to be addressed:

a. The resilience of the current financial position

b. A balanced budget

c. The robust costing of spending plans

d. The arrangements for effective financial control and management of risks

e. The strategy for the prudent use of reserves

f. An appreciation of the implications of spending decisions for service outcomes and workforce impact

a) FINANCIAL RESILIENCE

3.1 Before considering the financial strategy for 2014/18 it is important to review our current finances. The council has been commended for its financial management over a period of years, with independent external auditors reporting a clear embedded financial management culture and a stable financial position.

3.2 Auditors gave a clean bill of health on the council's accounts for 2012/13 as they have for each year since the inception of North Lincolnshire Council. The financial outturn for 2012/13 was positive, a budget underspend of £1.8m (or 1.5%), while 65% of key performance indicators showed improvement on the previous year, and 85% were above target or within range.

3.3 The latest projections for 2013/14 reported to cabinet in January 2014 indicate a likely underspend of £0.1m. Efficiencies and savings have been made to cover increased costs in adult and childcare and to compensate for income below target in a number of areas including leisure facilities and car parks.

3.4 This projected underspend is despite additional costs of up to £1m arising from the December storm and floods. Efforts will be made to contain the immediate costs of the emergency response and clean-up within normal operational budgets; and the costs of rectifying damage to schools. Cabinet agreed that the contingency provision within the budget for 2013/14 should be used to meet the costs of relief payments and council tax reductions for households affected; and further costs that might arise. Government grant may be available to cover some of the recovery costs.

b) BALANCED BUDGET

3.5 Financial planning is, of its nature, a dynamic exercise and regular review is essential to ensure that changes of circumstance and changes of policy can be factored in. The purpose is to provide members with a reliable and up-to-date basis for budget and council tax decisions. The starting point for this year's financial planning exercise was the four year budget approved by council in February 2013.

3.6 This paper brings together the budget planning carried out by officers over the past few months; and the funding position after the confirmation of the government's reduced Settlement Funding Assessment (SFA), and the ruling group's declared intention to freeze council tax for a further year. It means further savings are now required which go beyond the balanced plan approved in February 2013.The planning process therefore

- Updates the previous approved plan for 2013/17 for the new targets
- Rolls it forward to 2017/18
- Builds in base pressures
- Adds a range of new saving proposals
- Assumes a council tax freeze in 2014/15; followed by increases of 1.75%, 1.9%, 1.9% in line with previous planning
- Builds in proposed use of reserves to support the plan

The financial analysis is provided at **Appendix B1 and B2**. The combined effect of the proposals is a small surplus in 2014/15 and 2015/16 increasing in the final two years.

c) ROBUST SPENDING PLANS

3.7 It is a legal requirement for the council to have assurance that service activity in the plan period 2014/18 is properly costed, that proposals for additional or reduced spending are quantified and deliverable, and that risks are properly evaluated. The council is required to set ***a balanced budget***; that is it may not budget for a deficit.

3.8 The analysis at **Appendix A1** tests in detail the assumptions made in putting the budget together to demonstrate its robustness. Some of the key ones are discussed below:

a) Pay inflation is provided in line with the government's indicative 1% cap; price inflation in line with 2% CPI or as contracted.

b) There is a possibility that the minimum wage could rise to £7 when next reviewed in October 2014. This would affect significant numbers of staff on the lower points of the payscale at an estimated cost of £630k. A contingency provision has been made, phased between 2014-15 and 2015-16.

c) There will be changes to employer pension contributions following the latest triennial review. A cost pressure has been phased over the budget plan (£0.6m) in anticipation of the additional costs.

d) Based on an assessment of the workforce impact of the changes proposed in the plan the contingency includes £1.5m to cover transformation/redundancy costs, phased over the four years.

e) The Council Tax Support Scheme is added as a pressure in 2014/15 and 2015/16 at £0.3m, in order to maintain the 8.5% scheme for two more years as agreed by Council in December. This is funded from surplus Welfare monies via the reserves.

f) The Financial Plan includes the projected growth in business rates and council tax from the South Humber Bank and Lincolnshire Lakes developments. There are risks associated with this approach and **a prudent approach should be taken to not commit in advance the projected additional income, and to review the position as the plan period progresses.**

3.9 New saving proposals have also been added for each directorate and are incorporated with saving proposals already included in the plan approved in February 2013. They include proposals to reduce support service costs further; to maximise the benefits of service integration such as public health; to recommission services; to reconfigure service delivery for greater efficiency; and to raise additional income through charging or the sale of services commercially.

3.10 A range of strategic saving proposals are included:

a) A proposal to use £5m of reserves to substitute for borrowing on short-life assets and save on debt costs

b) A reassessment of rolling programmes of capital investment, to give a further revenue saving

c) Potential savings from shared services

d) Savings from a review of staff terms and conditions

3.11 There is, however, a significant and increasing risk to the council from volatility in business rates income, following the introduction of the rates retention scheme in 2013/14. This is considered in greater detail at section d) below.

3.12 Subject to this proviso, the budget estimates presented in this report have therefore been made on a prudent basis. Taken together with the provisions and controls detailed in sections d) to f) it is my view that the estimates presented here are robust.

d) THE MANAGEMENT OF RISKS

General approach

3.13 The council has a duty to ensure it can deliver effective services in line with its statutory duties and its priorities. There are a wide range of potential risks it can face: safeguarding children and vulnerable adults, ensuring health and safety for its workforce and the general public, or being prepared for emergencies which affect local people and disrupt local services. The council manages its risk through a Risk Management Strategy, ensuring appropriate controls are in place and responsibilities identified at all levels of the organisation.

3.14 After taking a balanced approach to manage and minimise risk there is always a possibility that adverse events arise, which have to be addressed. Many of these can bring a financial cost. The financial plan addresses the **financial risk** in several ways:

- Budget assumptions are tested to ensure plans are properly costed (section c)
- Each service manages to a cash limited budget
- The council buys insurance cover for its activities where available and cost effective
- It builds in a contingency each year for cost increases which can be foreseen, but not precisely estimated, such as pay and energy costs
- It keeps general reserves to meet the cost of unforeseen events
- And earmarked reserves for some specific liabilities which will or may arise in the future – see section (e) below.

3.15 **Appendix A1** examines the **budget assumptions** and associated risks in more detail. It tests the degree of risk in the budget.

Approach to Financial Planning

3.16 The Financial Strategy paper elsewhere on this agenda sets out the context for public finances and local government in particular. In brief, reductions in public spending will continue for the rest of the decade and local government needs to prepare to operate at a permanently reduced level of funding as a proportion of national income. This perspective is shared in different degrees by all the major political parties. **The scale and pace of change in reduction in funding for council services for the period increases potential risk.**

3.17 The new realities bring a greater degree of funding risk to local councils:

a) Government target savings to achieve deficit reduction have increased over time, and therefore forward year projections of settlement funding are uncertain. There has already been a significant increase in required savings in 2015/16 following the 2013 Comprehensive Spending Review.

b) The rebalancing of the local government finance system shows a deliberate shift from needs based distribution of government support towards incentives

c) There are significant demographic pressures which need to be accommodated within a lower resource envelope, including an ageing and growing population

d) Local tax revenues are now more explicitly tied to the fortunes of the local economy through the Business Rate Retention Scheme and the Council Tax Support Scheme.

3.18 For these reasons the need to plan for a range of possible future scenarios becomes imperative. In its financial planning, therefore, the Council made projections for three alternatives:

a) A **positive scenario** which factored in substantial growth in the local tax base through development of the South Humber Bank, renewable energy projects and Lincolnshire Lakes

b) A **moderate scenario** which allowed for normal levels of economic and population growth, and renewable energy developments only

c) A **negative scenario** which assumed the closure of a major local employer such as Tata or one of the refineries.

3.19 These projections give widely different potential outcomes ranging from a significant funding boost over the plan period, which could offset around two thirds of the expected £24m settlement funding reduction, to a substantial £10m deficit. Taking a prudent approach, planning focussed on the moderate scenario to identify how to close the budget funding gap.

3.20 This allowed the council to shift its planning to the positive scenario in December 2013 when some major uncertainties were resolved. The following table presents what is now the central positive planning assumption. It demonstrates the shift towards increasing reliance on local tax resources to sustain future service delivery.

Funding	**Settlement**	**Local & other**	**Total**
	£m	£m	£m
2013/14	72.5	74.7	147.2
2014/15	65.7	78.9	144.6
2015/16	56.1	82.2	138.3
2016/17	51.7	86.7	138.4
2017/18	48.1	91.8	139.9

Local Resource Risks

3.21 There are good prospects for growth in North Lincolnshire in both the business and council tax base. Some key elements for above trend population growth and economic development are falling into place:

- Approval to the Able UK development on the south bank of the Humber to support the wind energy sector, and the development of the Humber as the renewables estuary
- The prospects of substantial funding for regeneration and business growth through the Local Enterprise Partnership
- The reduction of tolls on the Humber Bridge
- Progress towards the realisation of the Lincolnshire Lakes development
- Approval to a University Technical College

3.22 The financial plan projects an additional **£8.1m** income from business rates and council tax by 2017/18 above the underlying growth rate the area has seen, £16m growth in total, including modest tax increases of 1.75%, 1.9% and 1.9% following the proposed freeze in 2014/15. The most significant element is business rates and reflects the fact that the council now receives typically a 37% share of business growth and all growth in renewables. This applies to additional rates generated above the baseline set by government when it established the new Business Rate Retention scheme in 2013/14.Therefore the council's future potential does depend increasingly on favourable economic prospects, and on maintaining a resilient business sector.

3.23 There is a downside to the Business Rate Retention scheme which brings a particular set of risks to North Lincolnshire. The legacy of past industrialisation means that the area is highly dependent on a small number of large enterprises. These are predominantly the steel, petro-chemical and power industries. These industries are exposed to international competition over which the council has little control. Therefore prudence in committing future resources is needed.

3.24 The way in which the new business rates retention scheme has been established brings further risks. The scheme continues the principle of the previous local government grant support regime by continuing to redistribute baseline business rates between local authorities based on need. This locks in the historic redistribution of funding from councils judged to have a surplus (tariff authorities) to those judged to have a shortfall in resources (top-up authorities). As a tariff authority North Lincolnshire must budget to pay over £9.6m in 2014/15 out of its 50/50 share rising in line with inflation year on year; combined with a levy on growth which increases the total payment to £11.6m by 2017/18.

3.25 This means that authorities are exposed to the effects of economic downturn. This is particularly serious where a local authority area is reliant on a small number of large undertakings. There is a safety net mechanism to provide a minimum guaranteed tax take of £27.3m in 2014/15. However the further the area's business rate base grows above the safety net the further it has to fall. On current projections the maximum loss by 2017/18 if income fell to the level of the safety net would be £7.4m a year, or £9.8m if renewables are included. The closure of one of the top 10 would bring a loss of income to the council of between £0.4m and £4.2m, but would bring wider consequential losses in the supply chain.

One final complication is that the scheme is due to be reset each decade, the first reset being 2020. The details of how this will work are yet to be determined, but bring the risk that some or all of the additional growth secured between 2013 and 2020 will also be taken for redistribution.

3.26 For all these reasons business rates provide a risk to the council's financial health which may be beyond the council's ability to manage through good house-keeping. As discussed below an adequate and perhaps increasing level of reserves are needed to cover these volatile and unpredictable risks.

Health and Social Care Funding

3.27 The government has set a radical challenge to improve integration between health and social care over the next five years to improve outcomes for people and to deliver better value for money. The fund will support the aim of providing people with the right care, in the right place, at the right time with the right management. The key objectives of our Better Care Fund Plan are to detect problems early and prevent deterioration so that people will keep well and stay safe; more people will live independently and we will be able to reduce long term residential care and reduce avoidable hospital admissions. .

3.28 This ambitious programme involves redirecting £3.8bn of funding nationally from existing health and social care funding to a ring-fenced Better Care Fund. Better Care Fund Plans need to be developed jointly between Clinical Commissioning Groups and Local Councils

3.29 A programme of this scale, which involves an extensive reshaping of local services, inevitably brings risks which need to be managed. There are also conditions to be fulfilled:

a) Protection for adult social care services;
b) Seven day services to support patients being discharged and to prevent unnecessary admissions at weekends;
c) Agreement on the consequential impact of changes in the acute sector
d) An accountable lead professional for integrated packages of care.
e) Good performance on five national metrics and one local measure

   i. Delayed transfers of care
   ii. Avoidable emergency admission
   iii. Admissions to residential and nursing care
   iv. Effectiveness of reablement and
   v. A patient experience measure
   vi. Proportion of older people offered reablement services (local)

3.30 As part of the Better Care Funding allocation, the government indicated that £1bn of the total funding will be dependent on achieving these measurable outcomes.

3.31 For North Lincolnshire a draft Better Care Plan was approved by the Health and Well-Being Board on 14 February, which describes the vision for integrated health and social care services in North Lincolnshire, building on what is working well already and gives assurance that the we will meet the national conditions of the fund. It describes the shared set of outcomes and how funding will be deployed to achieve them. In 2015/16 the fund totals £12.4m, £1.4m of existing council capital funding in the form of social care grant and disabled facilities grants; and £11m of health funding- drawn from £1.1bn of existing health transfer funding and a further £2.7bn. This agreed strategy helps to contain financial planning risks inherent in any radical change programme.

3.32 However, the Council has at the same time to implement the reforms embodied in the Care Bill before Parliament, which brings a further set of financial risks. They include a cap on care costs for individuals from April 2016; a universal offer of deferred payments; new duties for the assessment and support of carers; and a national minimum eligibility threshold.

Funding has been earmarked nationally through a top-slice of existing local authority resource. Work is in progress locally to estimate what the scale of demand will be and the cost consequences for local authorities, and its interaction with the care market.

Capital Investment Risk

3.33 A separate paper on this agenda considers the council's capital investment programme. In the current climate of economic restraint, where the resources available to the council beyond 2014/15 will be significantly reduced it is important to consider carefully the extent to which capital spend adds to borrowing and so to revenue costs. Spend financed through borrowing means financing costs take a greater share of declining revenue resources, putting pressure on other areas of spending. Typically debt is carried for 20 years and so commits revenue resources for an extended period. The cost of borrowing is also variable and it is important to take borrowing at the optimum time. In a recovering economy interest rates, which have been at historically low levels since 2008, tend to rise potentially locking in higher costs for a prolonged period. The proposed revenue budget for 2014/15 provides an estimated £13.8m to meet capital financing costs rising to £14.3m by 2017/18.

3.34 The best way to mitigate risk is to minimise borrowing and use alternative funding sources. This includes government grants, external funding, capital receipts from the sale of assets, and access to other funding sources through the Local Enterprise Partnership and the national Priority Schools Building Programme. The 2014/18 programme of £103m does include substantial grant/external funding (£57m), a significant contribution from capital receipts (£11m) and a proposed £5m contribution from reserves to minimise borrowing, which nonetheless leaves a £30m borrowing requirement.

3.35 The council has adopted a policy of deferred borrowing over the last six years to reduce revenue cost. It has avoided borrowing externally by funding capital spending from cashflow. This has had the beneficial effect on the revenue budget of reducing the cost from £90k per £1m of spend to £50k due to savings on interest. It is now anticipated that the council will not in 2014-15 have sufficient cash-flow levels to continue this practice and will need to return to using borrowing to fund the programme, and to refinance debt which come due in the period.

3.36 The guideline of affordability of financing costs, used by the council as a benchmark, was set at Council in February 2013 at 10% to 12% of the revenue stream. The net effect of the proposed programme, after the use of £5m of reserves to fund short life capital assets is a revenue cost marginally below the 10% benchmark. If the reserves are not applied costs increase to 10.5% of revenue stream.

e) THE USE OF RESERVES

3.37 A further important element in the budget strategy is to consider what level of reserves it is prudent to carry and how far they can be deployed to support council spending plans. There is always a judgement to be made about what constitutes an adequate level of reserves and this depends significantly on the scale and range of risks the council faces; and the application of reserves must always take account of the fact that they can only be spent once and need to be replenished. The general principle followed by this council is that reserves are used for one- off and short term purposes and are not used to support on-going service delivery, which would undermine the robustness and sustainability of the financial plan.

3.38 The council keeps a number of reserves (see appendix A2):

a. General reserves are to meet unforeseen spending pressures

b. The revenue account support reserve facilitates the council's transformation strategy

c. Schools keep their own reserves under local management

d. There are a number of other reserves earmarked for particular purposes.

3.39 As part of its framework for sound financial management each council requires a strategy for the use of reserves and this section proposes what that strategy should be. Reserves should be set at a prudent level to meet potential demands not covered in the budget, but should not be at a level which unnecessarily ties up resources. This is a matter of judgement, but given the scale of reduction in public sector finances, the impact of low economic growth and the additional risks associated with the localisation of business rates, the need to maximise reserves has been paramount. In the discussion which follows it is important to distinguish between those reserves the council can potentially deploy to meet budgetary challenges (e.g. the revenue account support reserve) and those which it cannot (e.g. school and many earmarked reserves).

Available reserves

3.40 General Fund Reserves (£6.858m)

These are the council's safety net for unforeseen or other circumstances that cannot be addressed by management or policy action during the year and are not covered by earmarked reserves. This level of general reserves is close to the best practice benchmark of 5% of current net spending which has served well in less challenging times. A review of the level of balances has taken place and it is recommended that the level of general reserves is maintained and that consideration is given to increasing them if risks grow in the forward years of the plan.

The most significant additional risk that the council now faces is the potential loss of Business Rates income if one or more of the businesses with the largest Rateable Values (RV) were to close or lodge a successful appeal which led to a significant decrease in its RV. Whilst the Government has set up a safety net scheme the potential loss of funding in 2014/15 would be £2.9m increasing to £9.8m by 2017/18. This would impact on the council's 2015/16 budget. The sum at risk increases year by year as explained in the section on risks. (paragraph 3.21 to 3.26).

3.41 **Revenue Support Account (£9.2m)**

This reserve has a key role in supporting the council's transformation programme and in facilitating a smooth transition to a future with a lower level of resource. The balance on this reserve was £9.2m at 31 March 2013. **£2.8m** is earmarked for use in 2013/14 on a range of initiatives. It is planned to draw a further **£4.7m** for use in 2014/18.This includes:

- Support to major infrastructure procurement exercises (BSF, waste, BDUK)
- Funding of community grant aid

- Funding for the Children's Literary Trust
- Subsidy for the Council Tax Support Scheme
- Funds for rural transport and highways
- Service transformation costs (including redundancies)

This paper proposes that a further **£5m** is earmarked through this reserve to finance short life capital spend so that the council avoids the costs of servicing £5m of debt. This would exceed the current available reserve, but the review of earmarked reserves which follows identifies a number of surpluses which can be transferred to the Revenue Support Account, totalling **£4.8m**. The net effect of these transfers and applications is an unallocated balance of **£1.5m** by 2017/18. Consideration should be given to leaving these reserves unallocated to cover any delays in the build-up of local resources from economic growth.

3.42 **Collection Fund Reserve**

This reserve holds the council's share of any surplus or deficit on the Collection Fund through which the council collects the council tax and business rates. No council tax surplus is forecast for 2013/14 and therefore there is no balance to apply. A minimal surplus on Business Rates of £6k is anticipated and factored into funding the 2014/15 budget as required by law.

3.43 **Other Earmarked Reserves**

The council keeps a number of other reserves for particular purposes. As part of the budget exercise the call against each of these reserves has been reassessed to ensure that the balances held are sufficient but not excessive.

a. Insurance reserves (£1.2m)

These reserves are to cover any significant uninsurable costs that the Council may incur. The level is partly dependant on the council's risk management strategy but is also subject to judgement. The minimum balance judged to be adequate for this reserve is £1m, which equates to the current excess on the council's flood and storm damage policy. It is proposed that the reserve is reduced to £1m and the balance transferred to the Revenue Support Reserve.

b. **Investment Impairment Reserve (£2.0m)**

This reserve was established to meet the potential loss of cash the council placed with Landsbanki and Heritable banks before the 2008 banking crisis. The recovery of the council's investments is now complete and there will be no call on this reserve. It is proposed to transfer the balance on this reserve to the revenue support account.

c. **HRA Closure Account (£0.125m)**

This was setup to settle any outstanding liabilities after the transfer of the council's housing stock to North Lincolnshire Homes. No further liabilities are known to exist and so it is proposed to transfer the balance on this account to the Revenue Support Account.

d. The **Performance Reward Grant (£0.072m)** reserve will be fully applied in 2013/14.

e. The **Property Trading Account (0.365m)** carries forward any surplus income earned above the budgeted income target from the council's property portfolio. This can be used to cover the operational costs of the Trading Account in future years.

f. The **Scunthorpe Special Expense Reserve (£0.182m)** carries forward under and overspends against the special expense. This is the equivalent charge in Scunthorpe to parish and town council precepts elsewhere in North Lincolnshire and supports community and play facilities in the town. The reserve is available to fund parks, playgrounds and community centre initiatives in Scunthorpe.

There are other earmarked reserves only available for specific purposes such as the carry forward reserve allocated by council to specific initiatives in 2013/14; the Safety Camera Partnership; Pumping station maintenance; and a reserve to resolve litigation on land charges.

Unavailable reserves

3.44 **School balances (£3.2m)**

These are the combined balances for all maintained schools in North Lincolnshire. How they are applied is a matter for individual schools. There are a number of drivers affecting these balances over the period of the plan:

- Each school decides on its level of balances within best practice guidelines and guidance from the council. It is free to set funding aside for spending in a later year and to draw on balances according to need.

- The effective cash freeze on grant funding per pupil over the period of the Spending Review (2011/15) means there is likely to be downward pressure on balances as schools reduce their current cost base.

- The transfer of schools to Academy status: where the transfer is voluntary, schools take any surplus or deficit with them; the council is reimbursed by central government for deficits. Should a school which is failing be required to transfer, the liability for any deficit may lie with the council.

For these reasons balances are predicted to fall over the plan period.

The council manages its exposure to the risk of school overspends through its Scheme for Financing Schools. This provides for a school to run a licensed deficit once it has agreed a strategy to recover its financial position. The scheme sets a guideline such that combined school deficits should not exceed 30% of combined school surpluses. The local authority remains the ultimate back-stop for maintained schools in difficulty and if combined schools balances were inadequate general balances would be used as cover. However this would be a temporary measure as the principle is that schools recover their own deficit.

3.45 **Dedicated Schools Grant reserve (£1.3m)**

An underspend of £0.8m is expected on Early Years Funding in 2013/14. This increases the balance to £2.1m.This balance is to be retained in reserves to cover future year funding pressures. That includes the impact of volatility in early years spending as the market develops. The reserve can only be used for school-related and early years spending.

3.46 **Revenue grant carry forward reserve (£6.5m)**

This reserve holds revenue grants that have not yet been applied and have no unfulfilled conditions which would require repayment of the grant, such as not meeting the terms on which the grant was awarded. Most of this grant funding has already been allocated for particular purposes with only £180k potentially available to support general spending. The estimated spending profile means the balance will be fully utilized in the plan period, except for s106 monies provided by developers to pay for longer-term maintenance. It includes:

- NHS social care grant (s256)
- Planning delivery grant and New homes bonus for use on housing and regeneration projects
- Section 106 monies, developer contributions for specified purposes, and
- A range of other specific grants to be applied for designated purposes such as adult community learning, community transport and Sport England initiatives.

3.47 Following the strategy outlined above useable reserves in the Revenue Support Account Reserve fall from £9.2m at 31 March 2013 to £1.5m at 31 March 2018. General reserves of £6.9m are maintained at current levels. On the basis of this strategy I consider that at this point council reserves provide adequate cover for current and projected risks.

f) An appreciation of the implications of spending decisions for service outcomes

Impact on services

3.48 The common thread in budget proposals is to deliver more efficient and effective services through changes in how they are delivered, managed and targeted. The strategy aims to focus on delivering better outcomes for customers, even with a reduction in resources. Each service has a set of unique challenges to overcome and these are being dealt with in different ways (see Appendix B2 proposals listed by directorate and service area). Key elements of each directorate's proposed strategy are considered in the following paragraphs.

Policy and Resources (Workforce 344fte)

3.49 The Council's priority is to protect front-line services. Inevitably that means it looks for savings first in back office functions, many of which are in the Policy and Resources Directorate. This is the corporate core which provides strategic support to the Council and operational support to front-line services in the People and Places Directorates; and to its own front-line in Local Taxation and Benefits.

3.50 These services include IT systems and support; management of human resources; financial and risk management; payroll, payment and income collection services; information management; legal support; and support to members in fulfilling their democratic role through Council, cabinet and committee and other decision-making mechanisms. Taken together these services are key to good governance in the organisation and fulfil a range of statutory responsibilities.

3.51 The plans presented here reduce the budget resource by a substantial 31% to £9.9m over the plan period. There are a wide range of proposals to maintain or improve service while spending less. These include:

- Service restructures which reduce staffing costs, including a reduction in senior manager posts
- Consideration of a strategic partner for some back office services where there are real benefits and cost savings, building on the success of the current Local Taxation and Benefits shared service with NELC
- Stream-lining services through re-engineering business processes to take out unnecessary work and to redesign information processes
- Better use of IT to support self-service across the organisation, and
- In general to rebalance the smaller staff resource from data processing to added value advice and support to council and directorate transformation strategies.

3.52 There are challenges associated with reductions of this scale as all the functions are integral to ensuring the Council has the capacity to deliver on its statutory responsibilities and its transformation plans, and those demands and responsibilities are not diminishing. The risk to good governance in particular will need to be closely monitored as the plan is implemented. This council's record of good governance is evident in such measures as a clean bill of health on its financial accounts since 1996; effective relationships with the workforce leading to fewer disputes and a low level of cases referred to employment tribunals; no penalties to date for the loss of sensitive information; and no successful legal challenges to council decisions. A failure in any of these areas can be costly and there are many examples of councils which have faced significant financial penalties as a result of failure in one or more of these areas, which also brings a loss of reputation and the trust of local residents.

People Directorate (Workforce 1,045fte)

3.53 The challenges which face services for vulnerable adults are outlined in the section on risk at paragraphs 3.27 to 3.32. There is also a need to transform children's services to respond to demand, deliver efficiencies and move education support functions that are open to market competition, in both the Maintained and Academy sectors, to sustainable trading models.

3.54 The Directorate's transformation strategy continues to focus on three main themes:

- Universal Services: These are usually high volume and low risk services and therefore there is a presumption of external provision. The directorate will take an enabling role to ensure delivery of integrated services that are community based and include provision by voluntary organisations and other partners.

- Targeted Services: There will be a focus on good quality prevention and targeted interventions with effective management of cases to prevent the need for high cost, specialist services. For this reason there is a presumption of internal provision.

- Specialist Services: These are the high risk, statutory and regulatory services which can be expensive and will be directly provided by the council to ensure the risks associated with failure can be managed effectively.

3.55 A number of approaches are being taken to deliver some efficiencies:

- Rationalisation of management teams, business processes and removal of duplication
- Integration of services
- Reprocurement of service contracts where services are bought in
- Increasing in-house provision where agency provision is expensive (e.g. fostering)
- The maximisation of income.

In school improvement and professional and specialist education support functions schools and Academies have the freedom to buy services from the market place. This means that these education services need to secure business through competition with external providers. Steps have already been taken to make these services fit for the new competitive environment.

Places Directorate (Workforce 1,343fte)

3.56 The Directorate provides a wide range of front-line services with high visibility to the public. This includes highway maintenance; waste collection and disposal; transport for school pupils, social care, and subsidised bus services and the council's vehicle fleet; catering, mainly in schools, and cleaning; libraries, sport and leisure, and adult community learning; environmental health, trading standards, housing and community safety; planning and regeneration and management of the council's operational buildings and commercial properties.

3.57 Local residents have high expectations of these services and the challenge is to deliver the same or better outcomes with fewer resources. The Directorate proposes to do this in a number of ways:

- New ways of working (more intensive use of fleet vehicles, including waste collection vehicles)
- Maximising commercial income from a range of services including fleet, catering and cleaning
- Integration and streamlining of services
- Channel shift from face to face or telephone to digital contact services
- Delivering public health benefits through leisure and more income from commercial use
- Alternative governance for cultural venues
- Review of back office support functions
- Recommissioning of services, outsourcing activities and shared services

Impact on Workforce

3.58 Council services are staff intensive whether in the provision of personal services such as social care, in environmental services such as waste collection and street scene, or support functions such as local link offices, the corporate call centre or the Benefits service. Typically two thirds of council spending is on employee related costs. This means that the scale of transformation needed to deliver year on year reductions in funding inevitably has an impact on the workforce.

3.59 It remains a key council objective to minimise job losses, and in particular to protect front-line services. As far as possible reductions are achieved through normal staff turnover, early retirement, voluntary redundancy and redeployment. Appendix D shows that in 2013/14 the reductions in staffing are lower than planned. In part this is because grant funding has been secured to fund posts for a further year in adult services while transformation initiatives are progressed. It is expected that overall 116 posts across the council (50 fte) will be removed this year: 79 through redeployment and redundancy (mainly voluntary) and 37 through turnover and deletion of vacant posts. This is significantly lower than the expected 181 (72fte).

3.60 Many of the proposals to reshape services over the next four years will require further reductions in the workforce. Through the phasing of change programmes it is hoped that most of this reduction can be achieved through normal turnover and voluntary means. However the reductions from 2015/16 are significant and it may not be possible to avoid some compulsory redundancies, as the scope to redeploy larger numbers of staff to other areas of the council will inevitably be smaller. Appendix D shows projected reductions of 85 (2014/15); 101 (2015/16); 55 (2016/17); and 12(2017/18). In total this equates to 204 fte posts.

3.61 Consequently prudent provision has been made for redundancies including £1.5m in contingency over the plan period.

Summary

3.62 The overall conclusion is that the financial plan presented here provides sufficient saving options to address the budgetary challenge. The scale of budget cuts is substantial despite growth in local resources. The Council will need to consider corrective action should the size and rate of growth in local resources assumed in the plan not be met. Directorates will need specific contingency plans as to how they will deliver compensating savings to meet an increase in demand, a fall in income or delay in implementing agreed savings, so that they keep strictly within their cash limited budget. This could include bringing forward proposals from later years of the plan. Any divergence from plan needs to be addressed promptly and in full to ensure the financial plan remains on track.

4. ANALYSIS OF OPTIONS

4.1 It is for the council to decide its spending priorities within the resources it has available. The investment in different services is at its discretion. The issues to be considered when determining the budget are discussed in Section 3. Council will also wish to take account of feedback from consultation which is reported separately in the Financial Strategy paper.

4.2 The scale of public expenditure reductions over the plan period and beyond means that the council must make some difficult choices. These choices affect what services are provided to the public and how. They also have significant implications for the council's own workforce. In challenging times the council needs to determine how it can best deploy limited resources.

4.3 **The council is invited to consider the proposals listed at Appendix B2, and any alternative proposals, and to decide which it wishes to pursue. They include the revenue implications of the capital investment programme which is covered by a**

separate paper on this agenda. It is important to keep in mind the legal requirement to set a balanced budget so that in each year spending does not exceed the resources available. Reserves can be used to facilitate change, but unless earmarked for a one-off purpose, these need to be replenished at a later date.

4.4 The legal requirement to set a balanced budget and council tax applies to 2014/15. The regulatory framework for proper financial management expects to see robust long-term financial planning. The proposals in this paper therefore cover the four years 2014/18.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

Financial

5.1 These are covered in the body of the report and in the appendices.

Staffing, Property and IT

5.2 The workforce impact is summarised in section 3 and at **Appendix D**. There are specific proposals for the use of Property and IT in the plan.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 The budget process requires an assessment of each saving proposal. Where a proposal requires a change of policy an Integrated Impact Assessment is made across a number of dimensions: statutory, environmental, diversity, health, community safety, distributional, economic and social inclusion, and risk.

6.2 When setting the budget for 2014/15 the council has the power to decide the level of the revenue budget and the necessary council tax to support it. Under the Local Government Act, 1988 this must be a **balanced budget**. That is the council must not run a deficit.

6.3 Additionally, under the Local Government Act 2003, the Chief Financial Officer must report to the council when it is considering its budget and council tax on

- The **robustness of the budget estimates** being considered (Part 2 Section 25 (1)(a) of the Act);and
- The **adequacy of reserves** allowed for in the budget proposals. The council has to ensure that its budget makes allowances for reserves at least equal to the statutory minimum (Part 2 Section 25 (1) (b) of the Act).

6.4 The Director of Policy and Resources is the council's Chief Financial Officer under Section 151 of the Local Government Act, 1972. His advice is contained in **Section 3 and Appendix A**. The Act at Part 1, Section 25 (2) requires that members of the council take account of these factors in making their decisions.

6.5 Sections 31 to 52 of the Local Government Finance Act 1992 define what the council needs to determine as part of its budget and council tax decision, as modified by the Local Government Finance Act 2012 and the Localism Act 2011. As the billing authority for the North Lincolnshire area the Council incorporates in its resolution the precept requirements of the Police and Crime Commissioner for Humberside, the Humberside Fire Authority and local town and parish councils. It also includes the Scunthorpe Special Expense. Precepts which have been set are shown at **Appendix C;** any outstanding precepts will be available on the day of Council.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 In preparing for the meeting of the council today there has been consultation on the budget. The outcomes are reported in the Financial Strategy report on this agenda.

8. RECOMMENDATIONS

8.1 To set a revenue budget for **2014/15**

8.2 To confirm that all budgets are strictly cash limited to the figures set by the Council, and to require services to ensure tight control of expenditure during the year and to take immediate action to contain cost pressures

8.3 To note that at its meeting held on 10 December 2013 the council calculated the following amounts for the year **2014/15**. These are as required by regulations made under Section 33(5) of the Local Government Finance Act 1992:-

(a) **44,447.6** as its Council Tax Base for the year [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act") (regulation 3)

(b) the Council Tax Base for each part of the area as shown in **Appendix C**, column 2 (regulation 6).

8.4 To calculate the following amounts for **2014/15**, as required by Sections 31 to 52 of the Local Government Finance Act 1992 as amended.

(i) The **Council Tax requirement for the Council's own purposes** for 2014/15 (excluding Parish precepts)

(ii) The following amounts for the year 2014/15

(a) £X being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils. (**gross expenditure including parish precepts and special expenses**)

(b) £X being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. (**gross income**)

(c) £X being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its **Council Tax requirement** for the year. (Item R in the formula in Section 31B of the Act).

(d) £X being the amount at (c) above Item R, divided by Item T (8.3(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). (**Band D council tax including parish precepts and special expenses**)

(e) £X being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C). **(Total of all Parish Precepts and Special Expenses)**

8.5 To note that for the year **2014/15** the major precepting authorities have stated the amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act, 1992 **(police and fire precepts)**

8.6 To set the amounts of council tax for the year **2014/15** for each of the categories of dwellings. Having calculated the aggregate in each case of the amounts at 8.4 and 8.5 above in accordance with Section 31B of the Local Government Finance Act, 1992 as amended **(council tax including police, fire and parish precept for each band and each parish)**

8.7 To confirm the robustness of the estimates used in setting the level of council tax in accordance with the Local Government Act, 2003 requirements (Part 2 Section 25 (1)(a) of the Act)

8.8 To confirm the adequacy of reserves included in the budget in accordance with the Local Government Act, 2003 requirements (Part 2 Section 25 (1) (b) of the Act), and the policy for use of reserves as set out in Section 3 of the report and at Appendix A2.

8.9 To confirm the grant award to parishes detailed at **Appendix C**

8.10 To approve the financial strategy for 2014/18

8.11 To authorise the Director of Policy and Resources to produce the necessary taxpayer information.

DIRECTOR OF POLICY AND RESOURCES

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Date: 17 February 2014

Background Papers used in the preparation of this report

The Local Government Settlement at
http://www.local.communities.gov.uk/finance/1314/settle.htm

Robustness of Estimates
This section considers the assumptions and forecasts made in setting the budget.

Pay and Related Costs

Pay
Following a three year freeze in local government pay the Government announced a public sector pay cap of 1% for 2013-14. This is projected forward for 2014-15 and beyond. Therefore the pay award has been included at the level applied by the current government capping level:

	Increase	
2014/15	1%	£805k
2015/16	1%	£810k
2016/17	1%	£820k
2017/18	1%	£830k

National Insurance
It is not anticipated that the employer's contribution rate will change and the budget continues to assume that an average of 7.2% of pay will be sufficient to cover these costs.

Pension Costs
There are considerable ongoing amendments to public sector pension schemes. Changes will be made to the Local Government Pension (LGP) scheme from April 2014 with further changes to the Teachers Pension and NHS Pension schemes in the following year. The main reforms to the LGPS include;

- The linking of the pension age to the state pension age (minimum 65 and rising)
- A change from a final salary scheme to a career average earnings basis for benefit calculation
- The annual accrual rate for apportioning years of pensionable benefits will change from 1/60th of final salary to 1/49th average earnings
- Movement of the revaluation rate from a final salary basis to the Consumer Price Index (CPI)

The LGPS is a funded scheme with contributions being invested in the stock market, property and gilts in order to generate income from which pension entitlements are paid. It is not simply paid into and out of public taxation as is the case for the Teachers Pension Scheme. The scheme still needs to be affordable to members and employers, a situation which is becoming increasingly difficult due to changing demographics, which are increasing the liability on the pension fund.

The preliminary results of triennial valuation of the East Riding Pension Fund show that the deficit on the funding pool has increased over the three years by £2.8m to £122m. However the funding level within the pool has risen by 4% to 78% of liabilities.

As a result of the change in the future pension arrangements and actuaries projections it has been indicated that future employer contributions from 1st April 2014 will not be cost neutral as had been understood. In order to cover past service cost, the council may be required to make lump sum payments to the fund in addition to the annual contribution rate for current service. For 2014/15 it is intended that contributions continue at the 22.3% rate. Discussions regarding later financial years are ongoing with the East Riding of Yorkshire Council and the actuaries. In anticipation of the additional cost arising from this potential change £200k of additional funding has been included in the budget in each year from 2015/16.

At present for teachers the employer's contribution of 14.1% of pensionable pay is set nationally and has been allowed for in the schools budget.

National Minimum Wage
The national minimum wage, paid to an estimated 1.35 million people, has fallen in real terms since the financial crisis of 2008. To address this position the Chancellor of the Exchequer has recently expressed support for an increase in the national minimum wage from the current £6.31 per hour to £7 per hour if recommended by Low Pay Commission. It is anticipated that this increase will come into effect from 1st October 2014 and in relation to existing contracted employees (including apprentices but excluding schools) would cost the council £630k in a full year. In anticipation of this an amount has been provided in contingency, phased to meet this cost.

Service Transformation
The impact of the proposed budget savings on workforce will have cost implications for the council. An assessment of potential redeployment, redundancies, turnover and vacancies has been undertaken and has led to a contingency of £1.5m being phased within the plan

Non –Pay Cost
The Office of National Statistics reported that the UK inflation rate as measured by the Consumer Price Index (CPI) fell to 2% in December 2013. This fall was greater than anticipated, primarily due to a reduction in the cost of food, non-alcoholic beverages and recreational & cultural activities, which offset increases in petrol and diesel prices and the first of the expected gas and electricity price increases. Future projections by the Office for Budget Responsibility suggest that CPI will move above the 2% Bank of England target rate due primarily to the proposed energy price rises and food prices being lifted by the effects of UK weather. It is then forecast to consistently fall reaching the 2% rate on a more consistent basis by 2016. Uncertainty concerning the future CPI level poses an added risk to the council's budget which has been taken into account in assessing inflation.

A limited number of council contracts are linked to the Retail Price Index (RPI) which is generally higher than CPI . In the financial plan contract inflation has been applied at 1.95% for CPI and 2.6% for RPI. On other spending budgets services are expected to make efficiency savings year on year and inflation has not been applied.

To cover the impact of future energy price rises a separate allowance of £200k in each financial year has been included within contingency.

Fees & Charges
The general objective is to keep income budgets in step with cost rises to avoid increasing subsidy to service provision. Fees and charges have been considered on an individual basis. Increases have been made either to reflect the 1% pay award, or CPI & RPI inflationary rises or at a level specified by regulation. In some cases no increases are planned, this includes car parking where reductions in charges are proposed.

Forecast Interest rates
The latest assumptions of the Office for Budgetary Control are that the bank base rate will be held at 0.5% in 2014 with rises of 0.25% being seen from 2015 and beyond. The current prospects for income generation from short term cash investment are not favourable with the council's existing

counterparties already indicating reductions to interest rates. Proposals contained within the Treasury Management Policy (TMP) which proposes an extension to investment periods and increases to investment limits will potentially increase returns and pose limited risk to council funds. It is hoped that this will have a compensatory effect to declining returns.

Over the last six financial years the council has operated a deferred borrowing policy to reduce the revenue costs of the capital programme. In view of the councils past level of internally funded capital expenditure, future debt repayments and the extent of future programme commitments it is anticipated that the council will not in 2014-15 have sufficient cash-flow levels to continue this practice and will need to borrow to fund the programme.

The council’s policy is to borrow only for capital investment or for temporary shortfalls in cash flow. For planning purposes an average interest rate of 4% has been assumed for estimating the cost of long term borrowing over a 20 year period. The Public Works Loans Board currently offers the council a preferential rate for borrowing which is in line with the budget assumption. Future increases in interest rates would have a significant impact on revenue financing costs. In accordance with the TMP rates are regularly reviewed and an assessment made as to the most advantageous point for borrowing to be undertaken.

Capital, Maintenance and Major Contract Risk

A review of the council’s capital projects has been undertaken to assess the likelihood of cost overruns and risks associated with delays. The same has been done for potential unforeseen costs in maintaining council roads and buildings, cost increases in major contracts and costs arising from contract failure or major incidents such as flooding. The key elements are considered below.

Capital programme

The councils proposed capital programme for 2014/18 is £103m.

Funding;

Of this £56.7m is dependent on securing grant and external funding to finance expenditure. Should schemes fail to secure planned funding it is expected that scheme costs and project expectations are reduced or the project discontinued.

The requirement for borrowing to finance the programme is significantly weighted towards 2014/15 where £17.4m is required. This level of borrowing already assumes that £5m of the revenue support reserve will be used to reduce the debt to be serviced. Use of the reserve is prudent to keep financing costs to affordable levels.

Past experience suggest that there is a low risk of overspend, however, rephasing of the programme can be expected. This has been taken into account in making the budget estimate and the costs of capital financing have been reduced in 2015/16 financial year to allow for an element of rephasing.

Capital receipts from the sale of council land and property are managed through the Property Trading Account (PTA). To meet programme funding requirements £10.7m of disposals are needed over the planning period. It is anticipated that this is achievable and disposals for the first three years of the plan have been identified.

Schemes;

The Building Schools for the Future project is nearing completion with the final 3 schools, St Lawrence Academy, St Bede’s Catholic Voluntary Academy and Fredrick Gough School due for completion in 2014. Programme delays previously experienced have now been overcome following a change of contractor. The final year of the project requires a council borrowing commitment of £7m with continuing financing costs being met over the next 25 years from the revenue budget.

Seven Schools within North Lincolnshire have been prioritised for the Education Funding Agency led Priority Schools Building Programme. This is designed to provide investment for schools meeting condition and basic need criteria. Where however the improvements require the addition of a new building, improved road access or infrastructure is not funded through the scheme and the cost would need to be met by the council. This may represent a significant pressure to the council however at present these are considered containable within the existing Schools & Children's Centre Investment programme.

Proposals for a Residual Waste Treatment facility are still under consideration and at present an appropriate procurement and delivery strategy to secure best value for money is being developed. An important consideration is that an affordable solution is found which can be funded from the existing resource envelope.

Maintenance spending

Past underinvestment in the stock of council's assets is an issue.

The backlog of maintenance on council buildings is gradually being addressed over time. To achieving this there are a range of tools the council is using: capital programme investment (e.g. schools); funding through the Priority Schools Building programme; the rationalisation of council offices; the demolition of properties no longer fit for purpose or requiring substantial investment (e.g. Brumby site); and the disposal of surplus assets to provide capital receipts for reinvestment.

The Department of Transport have allocated additional funding of £0.33m to the Council for the renewal and repair of the road network. This is in addition to the existing Local Transport Plan which will invest a further £21.9m over the next four years in the road and transport infrastructure. This is supplemented by an annual programme for the replacement and upgrading of street lighting and flood defence measures, including pumping stations, funded from the council's own resources.

Long Term Revenue Contracts

The council has an annual commitment on long term revenue contracts of over £53.8m a year. These include;

Contract	**Amount £m**
Residential and Home Care	31.6
Community and Education Transport	6.9
Waste Disposal	6.0
Foster Care, Adoption, Children and Family Support	5.6
Energy	2.7
Insurance	1.0
Total	**53.8**

Contract price increases have been included within the budget. Consideration has also been given to the impact and risk of capital investment and major contracts not delivering their intended outcomes, whether due to delayed implementation, underachievement of savings or the cost of re-provision in the event of contract failure.

Business Rate Retention

The business rate retention scheme, introduced from the 1st April 2013 established a National Non-Domestic Rate (NNDR) baseline for the council split between a central and local share, each receiving 50%. The local share is then used to calculate the amount of Settlement Funding the council receives and to derive a baseline for the calculation of tariffs and top-ups that may be paid over or be received from the government. Where there is growth in the local economy which generates additional NNDR above the baseline the council is allowed to retain an element (currently 37.5%) for use in the provision of services. The balance is paid over as a levy to the government to provide a safety net to compensate councils whose business rate income falls by more than 7.5% from the baseline.

Within the budget plan there is estimated growth of £23.9m over the next four financial years. The NNDR growth has been derived from a complex forecasting model which includes a range of estimates and assumptions concerning the regional economy. The most significant are the potential for business growth in the region and the impact of successful appeals against the level of NNDR paid. The element of growth included is based on local knowledge of proposed developments in the area, including renewable energy and retail developments, in conjunction with data from the valuation office.

The required level and timing of growth is significant to the budget plan and is dependent on favourable economic prospects and continuing business sector growth. The North Lincolnshire area does possess a concentration of large industrial enterprises and the council would be exposed to any major change which substantially reduced the existing tax base and NNDR income, before the government's safety net was triggered.

Another significant factor affecting business rate income is the appeal system. All businesses can challenge the rating valuation made by the Valuation Office and many businesses do. Often these claims take years to resolve and currently there are outstanding appeals on the 2005 valuation list as well as the 2010 list. Currently around a third of the business rate tax base in the area is under challenge. If successful this can have a substantial impact on in-year income as the appeal will usually be back-dated to the time of the last revaluation meaning an immediate reimbursement could be due for a period of five years.

Councils are required to notify CLG by 31 January each year the estimated business rate tax base and tax yield for the next financial year. With CLG agreement an amendment was made to the council's submission for 2014/15 after the submission date to allow for a revised appeals projection.

RESERVES APPENDIX A2

RESERVES	2012/13 Closing Balance Actual £'000	2013/14 Closing Balance Estimated £'000	2014/15 Closing Balance Estimated £'000	2015/16 Closing Balance Estimated £'000	2016/17 Closing Balance Estimated £'000	2017/18 Closing Balance Estimated £'000
General Reserves						
General Fund	(6,858)	(6,858)	(6,858)	(6,858)	(6,858)	(6,858)
Collection Fund-NLC element	0	(6)	0	0	0	0
Schools Balances	(3,164)	(2,964)	(2,764)	(2,564)	(2,364)	(2,164)
	(10,022)	**(9,828)**	**(9,622)**	**(9,422)**	**(9,222)**	**(9,022)**
Earmarked Reserves						
Revenue account support	(9,213)	(10,808)	(3,574)	(1,978)	(1,756)	(1,480)
Insurance Reserve	(1,173)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Insurance Fund Profit/Loss	(571)	(150)	(150)	(150)	(150)	(150)
PTA Revenue Reserve	(365)	(365)	(365)	(365)	(365)	(365)
HRA Closure Reserve	(125)	0	0	0	0	0
Corporate Reserve	(90)	(90)	(30)	(30)	(30)	(30)
Crematorium enhancement	(34)	(35)	(36)	(37)	(38)	(38)
Dedicated Schools Grant	(1,315)	(2,097)	(2,097)	(2,097)	(2,097)	(2,097)
NLH Pumping Station	(102)	(107)	(112)	(117)	(122)	(127)
Carry Forwards	(2,240)	0	0	0	0	0
Building Control P&L	0	0	0	0	0	0
Safety Camera Partnership	(667)	0	0	0	0	0
Legal Reserve	(250)	(150)	0	0	0	0
Highways Commuted Sums	(29)	(27)	(25)	(23)	(21)	(19)
Investment Impairment	(2,001)	0	0	0	0	0
PRG Reserve	(72)	0	0	0	0	0
Scunthorpe Special Expenses	(182)	(182)	(182)	(182)	(182)	(182)
Grant carry forwards	(6,521)	(5,716)	(3,884)	(2,053)	(221)	(221)
	(24,950)	**(20,727)**	**(11,455)**	**(8,032)**	**(5,982)**	**(5,709)**
REVENUE RESOURCES	**(34,972)**	**(30,555)**	**(21,077)**	**(17,453)**	**(15,204)**	**(14,731)**

APPENDIX B1

Budget 2014-18	**2014/15 £000's**	**2015/16 £000's**	**2016/17 £000's**	**2017/18 £000's**
PEOPLE SERVICES				
Education	5,910	5,850	5,400	5,400
Prevention & Commissioning	7,412	7,061	6,911	6,761
Childrens Services	15,600	15,470	15,340	15,340
Adult Services	35,926	34,235	33,437	32,987
Total People services	64,848	62,616	61,088	60,488
POLICY & RESOURCES				
Human Resources	1,791	1,609	1,517	1,473
Legal Services	3,209	2,924	2,532	2,532
Financial Services	3,119	2,929	2,631	2,532
Business Support	4,137	3,802	3,593	3,353
Total Policy & Resources	12,256	11,264	10,273	9,890
PLACES				
Customer Services	5,280	4,732	4,138	4,038
Community Services	24,892	23,492	22,528	22,298
Technical and Environmental Services	4,127	3,797	3,732	3,725
Planning & Regeneration	2,314	1,953	1,902	1,732
Special Projects (BSF & Waste)	852	283	187	241
Total Places	37,465	34,257	32,487	32,034
CENTRAL BUDGETS				
Corporate Budgets & Levies	14,148	14,859	15,371	16,155
Capital Financing	13,821	14,061	14,676	14,255
Contingency	1,771	4,016	6,869	8,319
Public Health	0	0	0	0
Total Central Budgets	29,740	32,936	36,916	38,729
Total Net Budget	144,309	141,073	140,764	141,141
Corporate Savings / Growth	-51	-2,976	-3,801	-3,501
Total Adjusted Net Budget	144,258	138,097	136,963	137,640
Estimated Funding				
Revenue Support Grant	35,513	25,102	19,343	14,869
Base Line Funding Level (NNDR)	29,542	30,357	31,685	32,540
Council tax freeze grant 13/14,	672	672	672	672
Total Settlement Funding Assessment	65,727	56,131	51,700	48,081
Base Funding Assumptions (adjusted for council tax freese 14-15 & 15-16)				
Council Tax Adjustment: Zero, 1.75%,1.9%,1.9%,	57,072	58,352	59,757	61,196
Freeze Grant 2014/15	677	677	677	677
NNDR	2,447	3,298	3,889	3,889
New Homes Bonus	2,374	3,051	3,691	3,691
Business Rate Retention: Tariff & Levies	10,297	11,205	12,019	12,803
Education Services Grant	1,878	1,290	1,190	1,090
NNDR Section 31 Grant	1,539	0	0	0
Other Un-ring Fenced Grants	104	0	0	0
Total Base Funding	76,388	77,873	81,223	83,346
Growth Through New Developments				
Council Tax	0	704	1,419	2,146
NNDR	0	1,571	2,822	4,359
New Homes Bonus	0	414	966	1,640
Total Growth in Funding	0	2,689	5,207	8,145
Use of Reserves	2,536	1,596	222	276
Total Funding	144,651	138,289	138,352	139,848
Funding Gap (+) / Savings (-)	-393	-192	-1,389	-2,208

APPENDIX B2

Budget 2014-18

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
Base Budget	**147,178**	**147,178**	0	**143,140**	**144,258**	1,118	**141,481**	**138,097**	-3,384	**136,963**
People										
Education										
1.Pressures and Service Developments										
Establish Children's Literacy Trust	250	250	0	0	0	0	-250	-250	0	0
Short Breaks Provision Prior Years Adjustment	-75	-75	0	0	0	0	0	0	0	0
Contracts & Commitment Inflation	8	8	0	0	0	0	0	0	0	0
Base Budget Pressure - Education Welfare Service Unachieved Income	0	20	20	0	0	0	0	0	0	0
	183	203	20	0	0	0	-250	-250	0	0
2.Efficiencies										
Education Division - alignment of service teams efficiencies	-50	-80	-30	0	0	0	0	0	0	0
	-50	-80	-30	0	0	0	0	0	0	0
3.Service Transformation										
Transfer of Music Support Service to trust model	0	0	0	0	-10	-10	0	0	0	0
Integrated Service for Disabled Children	0	0	0	0	0	0	0	-100	-100	0
CDC/EPU/PORTAGE site rationalisation	0	-40	-40	0	0	0	0	0	0	0
	0	-40	-40	0	-10	-10	0	-100	-100	0
4.Income										
Learning and Development Centre move towards operating as business unit	0	0	0	0	-50	-50	0	0	0	0
Education & School Improvement Services Commercial Income	0	0	0	0	0	0	-100	-100	0	0
Fees & Charges Income Inflation	-11	-11	0	0	0	0	0	0	0	0
			0			0			0	
	-11	-11	0	0	-50	-50	-100	-100	0	0
Total	122	72	-50	0	-60	-60	-350	-450	-100	0
Prevention & Commissioning										
1.Pressures and Service Developments										
Contracts & Commitment Inflation	45	45	0	0	0	0	0	0	0	0
Investment in community based activities in Wellbeing Centres prior year adjustment	-100	-100	0	-100	-100	0	0	0	0	0
	-55	-55	0	-100	-100	0	0	0	0	0
2.Capital Bid Consequences										
Revenue Consequences of Capital Investment	-4	-4	0	0	0	0	0	0	0	0
	-4	-4	0	0	0	0	0	0	0	0
3.Efficiencies										
Business Process Efficiencies	0	0	0	0	-50	-50	0	-50	-50	-50
Re-procurement of various contracts across the directorate	0	0	0	0	-100	-100	0	-100	-100	-100
Rationalisation of Service Management Teams and Functions	-200	-200	0	0	0	0	0	0	0	0
	-200	-200	0	0	-150	-150	0	-150	-150	-150
4.Income										
Fees & Charges Income Inflation	-19	-19	0	0	0	0	0	0	0	0
	-19	-19	0	0	0	0	0	0	0	0
Total	-278	-278	0	-100	-250	-150	0	-150	-150	-150
Children's Services										
1.Pressures and Service Developments										
Foster care Inflation	60	60	0	0	0	0	0	0	0	0
Contracts & Commitment Inflation	14	14	0	0	0	0	0	0	0	0
Troubled Families co-coordinator	75	75	0	0	0	0	0	0	0	0
	149	149	0	0	0	0	0	0	0	0
2.Efficiencies										0
Social Enterprise for Young People's Accommodation Service	0	0	0	0	-30	-30	0	-30	-30	0
Children in Care Agency Placements	0	0	0	-100	-100	0	-100	-100	0	0
	0	0	0	-100	-130	-30	-100	-130	-30	0
3.Income										
Fees & Charges Income Inflation	-2	-2	0	0	0	0	0	0	0	0
Troubled families grant	-75	-75	0	0	0	0	0	0	0	0

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
	-77	-77	0	0	0	0	0	0	0	0
Total	72	72	0	-100	-130	-30	-100	-130	-30	0
Adult Services										
1.Pressures and Service Developments										
Scotter House Residual Cost prior years adjustment	-17	-17	0	-17	-17	0	0	0	0	0
Transitional cost of moving from Brumby site	31	0	-31	0	0	0	0	0	0	0
LD Increase in Service Users	0	428	428	0	0	0	0	0	0	0
LD Base Budget Pressure	0	1,211	1,211	0	0	0	0	0	0	0
Residential & Homecare Inflation	531	531	0	0	0	0	0	0	0	0
Contracts & Commitment Inflation	55	55	0	0	0	0	0	0	0	0
Older People Base Pressure (increase in package costs)	0	655	655	0	0	0	0	0	0	0
	600	2,863	2,263	-17	-17	0	0	0	0	0
2.Capital Bid Consequences										
Revenue Consequences of Capital Investment	0	0	0	-3	-3	0	0	0	0	0
	0	0	0	-3	-3	0	0	0	0	0
3.Efficiencies										
Community Support Team staff retirements & rationalisation of service	0	0	0	-125	-125	0	0	0	0	0
Mental Health Joint Commissioning	0	0	0	-160	-160	0	0	0	0	0
Adult Service efficiencies and use of external funding	-965	-965	0	187	187	0	22	22	0	0
Worksmart Project Adults	-25	0	25	0	0	0	0	0	0	0
Renegotiate Alarm Call Contract	0	-100	-100	0	0	0	0	0	0	0
LDDF efficiencies	0	-100	-100	0	0	0	0	0	0	0
	-990	-1,165	-175	-98	-98	0	22	22	0	0
4.Service Transformation										
Increase Extra Care Services	0	0	0	0	0	0	0	-350	-350	-350
Re-organise services that support vulnerable adults to remain independent	0	0	0	0	-100	-100	0	-100	-100	-100
Reduce Service Management	-13	-13	0	-125	-125	0	0	0	0	0
Reduce size of Operational Support to reflect reconfigured service	-62	-62	0	0	0	0	0	0	0	0
Transformation of Residential Care Services	-550	-550	0	-170	-170	0	-170	-170	0	0
Transformation of practice	-230	-230	0	0	0	0	0	0	0	0
Transformation of targeted and Specialist Day Service Provision	-77	-77	0	-129	-129	0	0	0	0	0
Transform transport provision to targeted and specialist day services	-100	-100	0	-100	-100	0	0	0	0	0
Apply personal budgets to universal day service users	-150	-150	0	0	0	0	0	0	0	0
Transformation of Universal Offer for Day Service Activities	-100	-100	0	-100	-100	0	0	0	0	0
Contributions Policy	-150	-150	0	0	-100	-100	0	0	0	0
Transformation of LD Day Services	0	-360	-360	0	0	0	0	0	0	0
Transformation of RAS	0	-650	-650	0	-650	-650	0	0	0	0
	-1,432	-2,442	-1,010	-624	-1,474	-850	-170	-620	-450	-450
5.Service Reductions										
Re-organisation of Assessment Service	0	0	0	-200	-200	0	-200	-200	0	0
	0	0	0	-200	-200	0	-200	-200	0	0
6.Income										
Residential, Homecare & Self Directed Support Care Services Income Inflation	-152	-152	0	0	0	0	0	0	0	0
	-152	-152	0	0	0	0	0	0	0	0
Total	-1,974	-896	1,078	-942	-1,792	-850	-348	-798	-450	-450
Total People	-2,058	-1,030	1,028	-1,142	-2,232	-1,090	-798	-1,528	-730	-600
Policy & Resources										
Human Resources										
1.Efficiencies										
Human Resources - Service restructures	-133	-133	0	-130	-130	0	-44	-44	0	-34
Reduction in Administrative Support	0	0	0	-18	-18	0	0	0	0	0
	-133	-133	0	-148	-148	0	-44	-44	0	-34
2.Service Reductions										
Reduction in Health and Safety staffing	0	0	0	-34	-34	0	-14	-14	0	0
	0	0	0	-34	-34	0	-14	-14	0	0
3.Income										
Commercial Income	0	0	0	0	0	0	0	0	0	-10
Fees & Charges Income Inflation	-3	-3	0	0	0	0	0	0	0	0
Additional Income From Welfare Services	0	0	0	0	0	0	-34	-34	0	0
	-3	-3	0	0	0	0	-34	-34	0	-10

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
Total	-136	-136	0	-182	-182	0	-92	-92	0	-44
Legal Service										
1.Pressures and Service Developments										
Contracts & Commitment Inflation	15	15	0	0	0	0	0	0	0	0
	15	15	0	0	0	0	0	0	0	0
2.Efficiencies										
Collaborative Efficiencies & cessation of service support, voluntary sector	0	0	0	0	0	0	0	-100	-100	0
Democratic Services staffing review (Group Office)	0	0	0	0	0	0	0	-46	-46	0
Review management structure of Legal Service and Commercial Practice, incorporating potential shared service model.	0	0	0	-65	-60	5	0	-60	-60	0
Democratic Services - Staffing Review	-26	-26	0	-41	-41	0	-28	-28	0	0
Stronger Communities Review & Commissioning Model	0	0	0	-89	-89	0	-148	-148	0	0
Reduction in Members Allowances Already Implemented	0	-40	-40	0	0	0	-40	0	40	0
Cessation of Contributions to Members Superannuation Scheme	0	0	0	-75	-75	0	0	0	0	0
	-26	-66	-40	-270	-265	5	-216	-382	-166	0
3.Income										
Fees & Charges Income Inflation	-2	-2	0	0	0	0	0	0	0	0
Income from Traded Services - legal Services	0	0	0	-10	-20	-10	-10	-10	0	0
	-2	-2	0	-10	-20	-10	-10	-10	0	0
Total	-13	-53	-40	-280	-285	-5	-226	-392	-166	0
Financial Services										
1.Pressures and Service Developments										
Benefit Administration Grant Reduction	48	130	82	0	0	0	0	0	0	0
Local Welfare Provision reduced grant	0	8	8	0	150	150	0	0	0	0
Contracts & Commitment Inflation	11	11	0	0	0	0	0	0	0	0
Remove 2012/13 Recession Related Admin Subsidy	18	18	0	0	0	0	0	0	0	0
	77	167	90	0	150	150	0	0	0	0
2.Efficiencies										
Restructure Audit and Risk Management to realign service for smaller council	-37	-37	0	-11	-11	0	-11	-11	0	-29
Restructure Financial Services	-42	-42	0	-154	-224	-70	-150	-220	-70	-70
Savings on management budget	-18	-18	0	0	0	0	0	0	0	0
Local Taxation & Benefits, shared service savings on management costs (net)	-112	-112	0	-55	-55	0	-55	-55	0	0
Efficiencies in Exchequer Services	0	0	0	-20	-20	0	0	0	0	0
	-209	-209	0	-240	-310	-70	-216	-286	-70	-99
3.Service Transformation										
Benefit fund discretionary relief	0	-82	-82	0	0		0	0		0
Shared service opportunities.	0	0	0	0	-20	-20	0	0	0	0
	0	-82	-82	0	-20	-20	0	0	0	0
4.Income										
Commercial income generation.	0	0	0	0	0	0	0	-10	-10	0
Trade Union Subscription Charges	0	-6	-6	0	0	0	0	0	0	0
Reduced provision for benefit subsidy loss on overpayments	-64	-64	0	0	0	0	0	0	0	0
Fees & Charges Income Inflation	-14	-8	6	0	0	0	0	0	0	0
Income from Traded Services - Financial Management	0	0	0	-10	-10	0	-2	-2	0	0
	-78	-78	0	-10	-10	0	-2	-12	-10	0
Total	-210	-202	8	-250	-190	60	-218	-298	-80	-99
Business Support										
1.Pressures and Service Developments										
Contracts & Commitment Inflation	19	19	0	0	0	0	0	0	0	0
	19	19	0	0	0	0	0	0	0	0
2.Capital Bid Consequences										
Data Centre Hardware Replacement	-20	-20	0	0	0	0	0	0	0	0
Application Rationalisation	0	0	0	-3	-3	0	0	0	0	0
	-20	-20	0	-3	-3	0	0	0	0	0
3.Efficiencies										
Restructure of the IT service	-31	-31	0	-210	-250	-40	-55	-15	40	-130
Reduction in centralised IT budgets	-10	-10	0	-30	-30	0	-15	-15	0	0
Review of Business Intelligence	0	0	0	0	0	0	0	0	0	-30
Implementation of Strategic advisor model	0	0	0	0	0	0	0	0	0	-60

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
MFD Printing & E-Mail Replacement / IT Equipment & Process	-28	-28	0	-20	-20	0	0	0	0	0
Performance Team Staffing	0	0	0	-32	-32	0	0	0	0	0
Review Category Management Structure	0	0	0	0	0	0	-25	-25	0	0
Review Business Improvement & Information Governance Structure	0	0	0	0	0	0	-98	-94	4	0
	-69	-69	0	-292	-332	-40	-193	-149	44	-220
4.Service Reductions										
Information Management Efficiencies	-20	-20	0	0	0	0	-60	-60	0	0
	-20	-20	0	0	0	0	-60	-60	0	0
5.Income										
Increased commercial income in IT and Procurement.	0	0	0	0	0	0	0	0	0	-20
Procurement Income	-7	-7	0	0	0	0	0	0	0	0
	-7	-7	0	0	0	0	0	0	0	-20
Total	-97	-97	0	-295	-335	-40	-253	-209	44	-240
Total Policy & Resources	-456	-488	-32	-1,007	-992	15	-789	-991	-202	-383
Places										
Customer Services										
1.Pressures and Service Developments										
Normanby Hall recession related income recovery and cost reduction prior year adjustment	0	0	0	-21	-21	0	0	0	0	0
Leisure service /Customer Service NNDR, utilities	0	61	61	0	0	0	0	0	0	0
Leisure policy changes - non implementation of changes in hrs, F&C	0	75	75	0	0	0	0	0	0	0
Contracts & Commitment Inflation	25	25	0	0	0	0	0	0	0	0
Leisure Services - R&M, Equipment, Price increases	0	36	36	0	0	0	0	0	0	0
	25	197	172	-21	-21	0	0	0	0	0
2.Capital Bid Consequences										
revenue saving from Capital Investment	-6	-6	0	0	0	0	0	0	0	0
	-6	-6	0	0	0	0	0	0	0	0
3.Efficiencies										
Develop 'Digital First' Library	0	0	0	0	-15	-15	0	-15	-15	0
Review Home Link	0	0	0	0	-20	-20	0	-27	-27	0
Restructure Local Links Staff at Smaller sites	0	0	0	0	0	0	0	-20	-20	0
Staffing Establishment/Review Savings in Sport, Leisure & Culture	-65	-20	45	-91	-111	-20	0	0	0	0
Procurement Savings - Leisure Services	0	0	0	0	0	0	-15	-10	5	0
Cultural Services review / restructure	-40	-35	5	0	0	0	0	0	0	0
Customer Services, & Registration Modernisation	-31	-25	6	-17	0	17	-15	0	15	0
Additional Commercial Activities - sports facilities Income	-53	-53	0	0	0	0	0	0	0	0
Customer & Information Services staffing review	0	-75	-75	0	-40	-40	0	0	0	0
Increased Vacancy Management	0	-25	-25	0	-5	-5	0	0	0	0
Customer Services - reconfiguration of administration	0	-12	-12	0	0	0	0	0	0	0
	-189	-245	-56	-108	-191	-83	-30	-72	-42	0
4.Service Transformation										
Co-location of customer services sites	0	0	0	0	-15	-15	0	-25	-25	0
Transfer Library service to alternative governance e.g. Social Enterprise	0	0	0	0	0	0	0	-30	-30	-30
Shared Service - libraries	0	0	0	0	-25	-25	0	-25	-25	0
Reduce face-to-face contact through channel shift	0	0	0	0	-25	-25	0	-50	-50	0
Channel shift -transfer of contact at customer service centre from phone to web based systems.	0	0	0	0	-25	-25	0	-20	-20	-20
Shared services - Customer Contact Centre	0	0	0	0	0	0	0	-30	-30	0
Shared Services - Registration services	0	0	0	0	0	0	0	-25	-25	0
Alternative governance of sports & leisure centres	0	0	0	0	0	0	0	-75	-75	-50
Further transfers of facilities to community management	0	0	0	0	-15	-15	0	-10	-10	0
Plowright Theatre - enhanced community participation	0	0	0	0	0	0	0	-40	-40	0
Customer Services - Integration/Channel Shift	-34	-15	19	-15	-27	-12	0	-17	-17	0
Customer Services - Senior Management Integration	0	0	0	-75	-20	55	0	0	0	0

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
Customer Services - Service Transfer/Partnerships	-10	0	10	-15	-15	0	-17	0	17	0
Sports Facilities - transformation of customer service offer	-341	-100	241	-25	-25	0	0	0	0	0
Libraries, Information Services & Local Links	-45	-20	25	0	0	0	0	0	0	0
Local Link & Contact centre management	-12	0	12	-18	-18	0	0	0	0	0
Withdraw /Reconfigure Encore music service	-6	-6	0	0	0	0	0	0	0	0
	-448	-141	307	-148	-210	-62	-17	-347	-330	-100
5.Service Reductions										
Cease some of the non-statutory elements of the registration work	0	0	0	0	-20	-20	0	0	0	0
Sports, leisure & cultural centres - programme review	0	0	0	0	0	0	0	-80	-80	0
	0	0	0	0	-20	-20	0	-80	-80	0
6.Income										
Increase commercial and commissioning approaches	0	0	0	0	-25	-25	0	-25	-25	0
Expansion of service / commercial activity	0	0	0	0	-20	-20	0	-30	-30	0
Commercial Activity - Adult Community	0	0	0	0	0	0	0	-20	-20	0
Additional Registration Service Income	0	0	0	0	-10	-10	0	0	0	0
Public Health funded leisure programmes	0	-268	-268	0	0	0	0	0	0	0
Leisure & Sports Facilities Income Inflation	-106	-103	3	0	0	0	0	0	0	0
Customer Services / Leisure commissioned services	0	-50	-50	0	-100	-100	0	-20	-20	0
	-106	-421	-315	0	-155	-155	0	-95	-95	0
Total	-724	-616	108	-277	-597	-320	-47	-594	-547	-100
Community Services										
1.Pressures and Service Developments										
Rural Transport & Highways prior year adjustment	0	0	0	-500	-500	0	0	0	0	0
Increased Landfill Tax & Volumes	381	364	-17	0	0	0	0	0	0	0
Recession related income pressures										
Highway Development income prior year adjustment	-25	-25	0	-19	-19	0	0	0	0	0
Concessionary Fares Price Inflation	45	45	0	0	0	0	0	0	0	0
Food Cost Inflation	33	33	0	0	0	0	0	0	0	0
Contracts & Commitment Inflation	71	71	0	0	0	0	0	0	0	0
Contaminated Waste pressure	0	17	17	0	0	0	0	0	0	0
	505	505	0	-519	-519	0	0	0	0	0
2.Capital Bid Consequences										
Revenue Savings From Capital Investment (Billet Lane)	-35	-35	0	0	0	0	0	0	0	0
	-35	-35	0	0	0	0	0	0	0	0
3.Efficiencies										
Greater Asset utilisation and changes to shift patterns for Waste Collection Services	0	0	0	0	-150	-150	0	-200	-200	-50
SLA Grounds Maintenance	0	0	0	0		0	0	-50	-50	0
Review - Policy & Resources Section		42	42	0	-65	-65	0	-106	-106	0
New waste transfer station (possibly inc MRF)	0	0	0	0	-30	-30	0	-40	-40	0
Reduced vehicle wear and tear charges when switch from accessing landfill site.	0	0	0	0	0	0	0	-50	-50	0
Staff & Miscellaneous Savings within Resources & Business Services	-19	-19	0	-25	-25	0	0	0	0	0
Bus Subsidies ,procurement savings	-68	-68	0	0	0	0	0	0	0	0
Explore Alternative Service Provision for neighbourhood services	0	0	0	-95	0	95	0	0	0	0
Improve identification of trade waste to HRC sites	-40	-40	0	0	0	0	0	0	0	0
Vacancy Management Savings	0	-35	-35	0	35	35	0	0	0	0
	-127	-120	7	-120	-235	-115	0	-446	-446	-50
4.Service Transformation										
Standardisation of Fleet Vehicles	0	0	0	0	-25	-25	0	-25	-25	0
Dedicated Trade Waste Service	-4	-115	-111	-3	-115	-112	0	-75	-75	-70
Transforming the delivery of Highways Services	-38	-38	0	-183	0	183	0	0	0	0
Options around residual waste treatment from 2016	0	0	0	0	0	0	-150	-150	0	0
Community Service Reviews	-43	-43	0	-40	0	40	0	0	0	0
Streetscene & Landscapes - Review of all activities	-7	-7	0	0	0	0	0	0	0	0

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
Transformation of Neighbourhood & Highways Services	0	0	0	0	-318	-318	0	0	0	0
	-92	-203	-111	-226	-458	-232	-150	-250	-100	-70
5.Service Reductions										
Subsidised bus services and the development of community transport	0	0	0	0	0	0	0	-100	-100	0
Neighbourhood & Highways Services - service changes	0	0	0	0	0	0	0	-100	-100	-100
Savings on building cleaning costs	0	0	0	0	-120	-120	0	0	0	0
	0	0	0	0	-120	-120	0	-200	-200	-100
6.Income										
Charging for business waste disposed of through HRC sites	0	-20	-20	0	-10	-10	0	-10	-10	-10
Maximise capital fee income with Better Routes	-47	-47	0	0	0	0	0	0	0	0
School Meals & Academy Cleaning Income Inflation	-50	-50	0	0	0	0	0	0	0	0
Crematorium & Cemetery Income Inflation	-35	-35	0	0	0	0	0	0	0	0
Fees & Charges Income Inflation	-24	-24	0	0	0	0	0	0	0	0
Commercial income generation	-58	-58	0	-58	-58	0	-58	-58	0	0
	-214	-234	-20	-58	-68	-10	-58	-68	-10	-10
Total	37	-87	-124	-923	-1,400	-477	-208	-964	-756	-230
Technical & Environment										
1.Pressures and Service Developments										
Recession related income pressures Agricultural stewardship income shortfall prior year adjustment	-15	-15	0	0	0	0	0	0	0	0
Contracts & Commitment Inflation	3	3	0	0	0	0	0	0	0	0
	-12	-12	0	0	0	0	0	0	0	0
2.Efficiencies										
Re- Commission existing contracts to provide better value for money	0	0	0	0	-50	-50	0	0	0	0
Equip staff with tools to enable them to undertake minor works on site.(Visit once approach)	0	-1	-1	0	0	0	0	0	0	0
Efficiency savings by the Calibration Test Centre	0	0	0	0	0	0	0	-6	-6	0
Restructure of NRT, Food & Safety & EP Team	-32	-32	0	0	0	0	0	0	0	0
Housing - Review of Housing Division	-47	-47	0	0	0	0	0	0	0	0
Safer Neighbourhoods Review	-9	-9	0	-28	-28	0	0	0	0	0
Service Reviews & Deletion Of Posts	0	0	0	-168	-168	0	0	0	0	0
Environment Team Review	-22	-22	0	4	4	0	-3	-3	0	0
Carbon Reduction Strategy; Savings & Reinvestments	-70	-70	0	-33	-33	0	0	0	0	0
Carbon Reduction Efficiencies reduced purchase of Carbon credits	-250	-250	0	0	0	0	0	0	0	0
Trading Standards - Reduce sampling budget	-25	-25	0	0	0	0	0	0	0	0
Vacancy Management Savings	0	-35	-35	0	35	35	0	0	0	0
	-455	-491	-36	-225	-240	-15	-3	-9	-6	0
3.Service Transformation										
Re- Commission existing contracts to provide better value for money	0	-21	-21	0	0	0	0	0	0	0
Set up machinery ring and parish path partnership and train selected community reps to use machinery on their own green space, nature reserves and footpaths	0	0	0	0	0	0	0	0	0	-5
Develop a community tree Warden scheme pilot to assess how the community can support the existing tree service	0	0	0	0	0	0	0	0	0	-2
	0	-21	-21	0	0	0	0	0	0	-7
4.Service Reductions										
Environmental Health Communities and Commercial Teams - enforcement changes	0	0	0	0	0	0	0	-56	-56	0
Reduce air quality monitoring network	0	0	0	0	-10	-10	0	0	0	0
Reduction in Port Health Precept	0	-6	-6	0	0	0	0	0	0	0
Reduction of staff within the Environment & Sustainability and Housing Services teams	0	0	0	0	-61	-61	0	0	0	0
Deletion of a post, which is to be identified	0	0	0	0	-19	-19	0	0	0	0
	0	-6	-6	0	-90	-90	0	-56	-56	0
5.Income										

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
Increase charges made for licensing and enforcement	0	-5	-5	0	0	0	0	0	0	0
Fees & Charges Income Inflation	-13	-13	0	0	0	0	0	0	0	0
	-13	-18	-5	0	0	0	0	0	0	0
Total	-480	-548	-68	-225	-330	-105	-3	-65	-62	-7
Planning & Regeneration										
1.Pressures and Service Developments										
Reduced income Waters Edge (loss of tenant) prior years adjustment	-38	-38	0	0	0	0	0	0	0	0
Raising the Profile of North Lincolnshire Prior Year Adjustment	-45	-45	0	0	0	0	0	0	0	0
Housing Planning Delivery Grant Initiatives	45	45	0	0	0	0	0	0	0	0
BDUK Match Funding Earmarked Reserve	0	100	100	0	-100	-100	0	0	0	0
Support for GAP	0	0	0	9	9	0	0	0	0	0
Continuation of the Go to Town initiative prior year adjustment	-50	-50	0	0	0	0	0	0	0	0
Car Parking Policy Changes (Parishes & Free Parking, net of staff savings)	0	154	154	0	0	0	0	0	0	0
Reducing Parking Income	0	159	159	0	0	0	0	0	0	0
Contracts & Commitment Inflation	7	7	0	0	0	0	0	0	0	0
Planning Enquires (HPDG)	0	100	100	0	-100	-100	0	0	0	0
	-81	432	513	9	-191	-200	0	0	0	0
2.Efficiencies										
Staff Savings	-111	-111	0	-55	-55	0	0	0	0	0
Miscellaneous Savings	-20	-20	0	0	0	0	0	0	0	0
Reduction in OS Data, use of Google and 3D imagery	-25	-25	0	0	0	0	0	0	0	0
Remove Humberside Economic Partnership & Economic Assessments	-59	-59	0	0	0	0	0	0	0	0
Subscriptions and Events	-12	-12	0	0	0	0	0	0	0	0
Reduction in public building repair and maintenance spending	-10	-10	0	0	0	0	0	0	0	0
Restructure, Staff Review, Vacancy Management savings in Asset & Estate Management division	-25	-184	-159	-26	-26	0	0	0	0	0
Savings within Construction & Technical Services division	-56	-56	0	-20	-20	0	0	0	0	0
Car Parking Strategy	-57	-57	0	0	0	0	0	0	0	0
Vacancy Management Savings	0	-35	-35	0	35	35	0	0	0	0
	-375	-569	-194	-101	-66	35	0	0	0	0
3.Service Transformation										
Further service transformation particularly back office	0	-10	-10	0	-10	-10	0	-10	-10	-10
Staffing and back office savings through sharing of Planning, Tourism, Property and Asset Management services with other local authorities	0	0	0	0	0	0	0	0	0	-40
Further service transformation – bringing together all policy within the P&R function	0	0	0	0	0	0	0	0	0	-40
Opportunities for substantial changes to service delivery	0	0	0	0	0	0	0	0	0	-20
Moved emphasis to e-books and brochures	-10	-10	0	0	0	0	0	0	0	0
Use of new web presence to provide online statutory consultation and documentation	-20	-20	0	0	0	0	0	0	0	0
Service improvements and developments (HPDG)	0	200	200	0	-200	-200	0	0	0	0
	-30	160	190	0	-210	-210	0	-10	-10	-110
4.Income										
Charging for pre-application advice	0	-5	-5	0	-5	-5	0	0	0	0
Comercialisation - Tourism, Property & Asset Management	0	0	0	0	-10	-10	0	-5	-5	-10
Comercialisation - Policy & Resources	0	0	0	0	0	0	0	0	0	-30
Commercialisation - Construction	0	0	0	0	0	0	0	0	0	-20
Planning income	-100	-100	0	0	0	0	0	0	0	0
Security Centre - Market CCTV Service	-44	-44	0	0	0	0	0	0	0	0
Reduce funding for Town Centre regeneration (HPDG)	57	57	0	0	0	0	0	0	0	0
Income from Property Trading Account	-385	-385	0	-130	-130	0	-36	-36	0	0
Income from Commercial Activity	-11	-11	0	0	0	0	0	0	0	0
Trading & Commercial Income Inflation	-41	-41	0	0	0	0	0	0	0	0
Income from Earmarked Reserves (HPDG)	0	-300	-300	0	300	300	0	0	0	0
	-524	-829	-305	-130	155	285	-36	-41	-5	-60

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
Total	-1,010	-806	204	-222	-312	-90	-36	-51	-15	-170
Special Projects										
1.Pressures and Service Developments										
Wave 3 BSF; removal of set up costs	-73	-73	0	0	0	0	0	0	0	0
Continued Secondment of Maintenance Services Manager to BSF & Programme Slippage	45	73	28	-47	-183	-136	-122	-129	-7	0
Waste JV Procurement adjustment of one off funding	-750	-410	340	-50	-386	-336	-65	33	98	54
	-778	-410	368	-97	-569	-472	-187	-96	91	54
Total	-778	-410	368	-97	-569	-472	-187	-96	91	54
Total Places	-2,955	-2,467	488	-1,744	-3,208	-1,464	-481	-1,770	-1,289	-453
Corporate Services										
Corporate & Miscellaneous										
1.Pressures and Service Developments										
Business Rate; Tariff Payments	290	184	-106	299	289	-10	309	298	-11	307
Business Rate ; Levy	249	338	89	131	619	488	182	516	334	477
Council Tax Support Scheme	0	302	302	0	0	0	0	-302	-302	0
Transformation premises costs	0	18	18	0	0	0	0	0	0	0
Contracts & Commitment Inflation	58	58	0	0	0	0	0	0	0	0
Insurance - Loss of income from academy schools	0	98	98	0	0	0	0	0	0	0
	597	998	401	430	908	478	491	512	21	784
2.Capital Bid Consequences										
Electronic Document Management System	-72	0	72	0	-72	-72	0	0	0	0
Application Rationalisation	-100	0	100	0	-100	-100	0	0	0	
	-172	0	172	0	-172	-172	0	0	0	0
3.Efficiencies										
Reduced Staffing & Other Efficiencies	-20	-20	0	-25	-25	0	0	0	0	0
Public Health Central Charge	-160	-160	0			0	0	0	0	0
Public Health Efficiencies	-330	-630	-300	-300	0	300	0	0	0	0
Training & Development Efficiencies	-150	0	150	0	0	0	0	0	0	0
LG Yorkshire & Humberside	-17	-17	0	0	0	0	0	0	0	0
LG Association	-31	-31	0	0	0	0	0	0	0	0
Corporate Efficiencies	0	0	0	0	0	0	-406	0	406	0
	-708	-858	-150	-325	-25	300	-406	0	406	0
4.Income										
Fees & Charges Income Inflation	-6	-6	0	0	0	0	0	0	0	0
	-6	-6	0	0	0	0	0	0	0	0
Total	-289	134	423	105	711	606	85	512	427	784
Capital Financing										
1.Pressures and Service Developments										
Rephasing of Existing Programme Charges	951	524	-427	553	1,140	587	-85	615	700	-421
	951	524	-427	553	1,140	587	-85	615	700	-421
2.Efficiencies										
Use of £5m of balances to reduced debt charges	0	0	0	0	-900	-900	0	0	0	0
Savings from Not Borrowing in 2013-14	-541	-643	-102	0	0	0	0	0	0	0
	-541	-643	-102	0	-900	-900	0	0	0	0
3.Income										
External Interest	-2	-2	0	0	0	0	0	0	0	0
	-2	-2	0	0	0	0	0	0	0	0
Total	408	-121	-529	553	240	-313	-85	615	700	-421
Contingency										
1.Pressures and Service Developments										
Expenditure inflation	0	0	0	1,000	1,000	0	1,000	1,000	0	1,000
Energy Inflation	200	200	0	200	200	0	200	200	0	200
Pay Award 1% 13/14 ,1% 14/15, 1% 15/16,16/17 1%	805	805	0	893	810	-83	901	820	-81	830
Minimum Wage Provision	0	315	315	0	315	315	0	0	0	0
Pension Increase	696	0	-696	0	200	200	0	200	200	200
Hardship Funding	73	-57	-130	0	0	0	0	0	0	0
Single State Pension Additional N.I costs	0	0	0	0	0	0	0	1,313	1,313	0
	1,774	1,263	-511	2,093	2,525	432	2,101	3,533	1,432	2,230
2.Service Transformation										
Transformation	-462	-160	302	-38	200	238	-90	-200	-110	-300
	-462	-160	302	-38	200	238	-90	-200	-110	-300
3.Income										

Item	Budget 2014/15 £000's	Proposed Budget 2014/15 £000's	Variance £000's	Budget 2015/16 £000's	Proposed Budget 2015/16 £000's	Variance £000's	Budget 2016/17 £000's	Proposed Budget 2016/17 £000's	Variance £000's	Proposed Budget 2017/18 £000's
Income Inflation	0	0	0	-479	-480	-1	-477	-480	-3	-480
	0	0	0	-479	-480	-1	-477	-480	-3	-480
Total	1,312	1,103	-209	1,576	2,245	669	1,534	2,853	1,319	1,450
Total Central Services	1,431	1,116	-315	2,234	3,196	962	1,534	3,980	2,446	1,813
CORPORATE SAVINGS / GROWTH										
1.Pressures and Service Developments										
Growth in demand for services	0	0	0	0	300	300	0	300	300	300
	0	0	0	0	300	300	0	300	300	300
2.Efficiencies										
Trade Union Convener Savings	0	-51	-51	0	0	0	0	0	0	0
Staff terms and conditions	0	0	0	0	-1,000	-1,000	0	-1,000	-1,000	0
	0	-51	-51	0	-1,000	-1,000	0	-1,000	-1,000	0
3.Service Transformation										
Shared Services	0	0	0	0	-225	-225	0	-125	-125	0
	0	0	0	0	-225	-225	0	-125	-125	0
4.Income										
Health Service Grant Funding	0	0		0	-2,000	-2,000	0	0	0	0
	0	0	0	0	-2,000	-2,000	0	0	0	0
Total Corporate Savings / Growth	0	-51	-51	0	-2,925	-2,925	0	-825	-825	300
TOTAL BUDGET	**143,140**	**144,258**	**1,118**	**141,481**	**138,097**	**-3,384**	**140,947**	**136,963**	**-3,984**	**137,640**
USE of RESERVES										
Service Transformation Provision	75	475	400	69	669	600	0	0	0	0
Local Welfare Provision	0	302	302	0	302	302	0	0	0	0
Waste JV Procurement	165	540	375	150	154	4	35	130	95	76
BSF	176	169	-7	129	21	-108	0	-108	-108	0
Establish Children's Literacy Trust	250	250	0	250	250	0	0	0	0	0
Grant Aid for Community Development	200	200	0	200	200	0	200	200	0	200
Rural Transport & Highways	500	500	0	0	0	0	0	0	0	0
BDUK Match Funding	0	100	100	0	0	0	0		0	0
Total Use of Reserves	1,366	2,536	1,170	798	1,596	798	235	222	-13	276
FUNDING										
Estimated Funding										
Revenue Support Grant	35,846	35,513	-333	31,633	25,102	-6,531	27,592	19,343	-8,249	14,869
Base Line Funding Level (NNDR)	29,867	29,542	-325	30,763	30,357	-406	31,685	31,685	0	32,540
Council tax freeze grant 13/14,	672	672	0	0	672	672	0	672	672	672
Total Settlement Funding Assessment	66,385	65,727	-658	62,396	56,131	-6,265	59,277	51,700	-7,577	48,081
Base Funding Assumptions (adjusted for council tax freeze 14-15 & 15-16)										
Council Tax Adjustment: Zero, 1.75%,1.9%,1.9%,	57,816	57,072	-744	59,208	58,352	-856	60,634	59,757	-877	61,196
Freeze Grant 2014/15	0	677	677	0	677	677	0	677	677	677
NNDR	2,862	2,447	-415	3,298	3,298	0	3,889	3,889	0	3,889
New Homes Bonus	2,411	2,374	-37	3,051	3,051	0	3,691	3,691	0	3,691
Business Rate Retention: Tariff & Levies	10,314	10,297	-17	10,744	11,205	461	11,235	12,019	784	12,803
Education Services Grant	1,986	1,878	-108	1,986	1,290	-696	1,986	1,190	-796	1,090
NNDR Section 31 Grant	0	1,539	1,539	0	0	0	0	0	0	0
Other Un-ring Fenced Grants	0	104	104	0	0	0	0	0	0	0
Total Base Funding	75,389	76,388	999	78,287	77,873	-414	81,435	81,223	-212	83,346
Growth Through New Developments										
Council Tax	0	0	0	0	704	704	0	1,419	1,419	2,146
NNDR	0	0	0	0	1,571	1,571	0	2,822	2,822	4,359
New Homes Bonus	0	0	0	0	414	414	0	966	966	1,640
Total Growth Through New Developments	0	0	0	0	2,689	2,689	0	5,207	5,207	8,145
Total Funding	141,774	142,115	341	140,683	136,693	-3,990	140,712	138,130	-2,582	139,572
Total Funding and Reserves	**143,140**	**144,651**	**1,511**	**141,481**	**138,289**	**-3,192**	**140,947**	**138,352**	**-2,595**	**139,848**
TOTAL NET BALANCE	**0**	**-393**	**-393**	**0**	**-192**	**-192**	**0**	**-1,389**	**-1,389**	**-2,208**

APPENDIX C

PRECEPTS

Parish or Area	Local Tax Base	Precept	NLC Grant	Total Requirement	Band D
Alkborough	154.3	3,674	326	4,000	23.81
Amcotts	72.9	1,784	216	2,000	24.47
Appleby	218.6	5,598	402	6,000	25.61
Ashby Parkland	166.9	2,972	528	3,500	17.81
Barnetby-le-Wold	489.6	21,371	2,629	24,000	43.65
Barrow-on-Humber	920.6	28,550	0	28,550	31.01
Barton-upon-Humber	3,029.7	137,749	23,258	161,007	45.47
Belton	1,051.3	13,688	1,312	15,000	13.02
Bonby	186.1	10,643	857	11,500	57.19
Bottesford	3,485.5	92,052	7,898	99,950	26.41
Brigg	1,541.3	101,602	16,398	118,000	65.92
Broughton	1,585.7	87,531	11,469	99,000	55.20
Burringham	197.8	9,981	2,019	12,000	50.46
Burton-upon-Stather	929.9	41,697	3,303	45,000	44.84
Cadney-cum-Howsham	149.7	6,063	437	6,500	40.50
Crowle	1,426.3	55,740	7,260	63,000	39.08
East Butterwick	40.8	601	149	750	14.73
East Halton	198.5	3,234	266	3,500	16.29
Eastoft	132.4	3,244	456	3,700	24.50
Elsham	157.4	6,183	317	6,500	39.28
Epworth	1,444.4	51,868	5,132	57,000	35.91
Flixborough	499.0	11,053	947	12,000	22.15
Garthorpe & Fockerby	125.2	6,032	968	7,000	48.18
Goxhill	736.7	39,701	4,154	43,855	53.89
Gunness	579.9	27,070	6,930	34,000	46.68
Haxey	1,577.2	32,222	2,778	35,000	20.43
Hibaldstow	713.7	13,146	1,854	15,000	18.42
Holme	39.9	239	11	250	5.99
Horkstow	52.0	1,398	102	1,500	26.88
Keadby with Althorpe	436.2	23,668	5,332	29,000	54.26
Kirmington & Croxton	115.5	6,837	1,463	8,300	59.19
Kirton-in-Lindsey	966.3	84,500	0	84,500	87.45
Luddington	108.5	3,336	664	4,000	30.75
Manton	41.4	0	0	0	0.00
Melton Ross	60.2	2,749	501	3,250	45.66
Messingham	1,239.3	43,301	3,699	47,000	34.94
New Holland	223.3	7,987	2,013	10,000	35.77
North Killingholme	80.8	4,425	575	5,000	54.76
Owston Ferry	396.1	10,592	1,507	12,099	26.74
Redbourne	148.1	6,679	821	7,500	45.10
Roxby-cum-Risby	148.2	5,068	432	5,500	34.20
Saxby-all-Saints	83.9	3,338	362	3,700	39.79
Scawby-cum-Sturton	765.9	26,401	2,599	29,000	34.47
Scunthorpe	13,695.7				**
South Ferriby	186.7	11,159	1,961	13,120	59.77
South Killingholme	253.2	11,214	3,286	14,500	44.29
Thornton Curtis	91.5	2,328	172	2,500	25.44
Ulceby	485.6	10,445	2,055	12,500	21.51
West Butterwick	230.6	0	0	0	0.00
West Halton	107.6	4,435	565	5,000	41.22
Whitton	82.5	2,474	126	2,600	29.99
Winteringham	308.0	11,119	1,381	12,500	36.10
Winterton	1,247.9				*
Wootton	173.5	4,147	253	4,400	23.90
Worlaby	190.7	10,183	817	11,000	53.40
Wrawby	508.0	9,508	492	10,000	18.72
Wroot	169.1	9,782	718	10,500	57.85
	44,447.6	1,132,361	134,170	1,266,531	

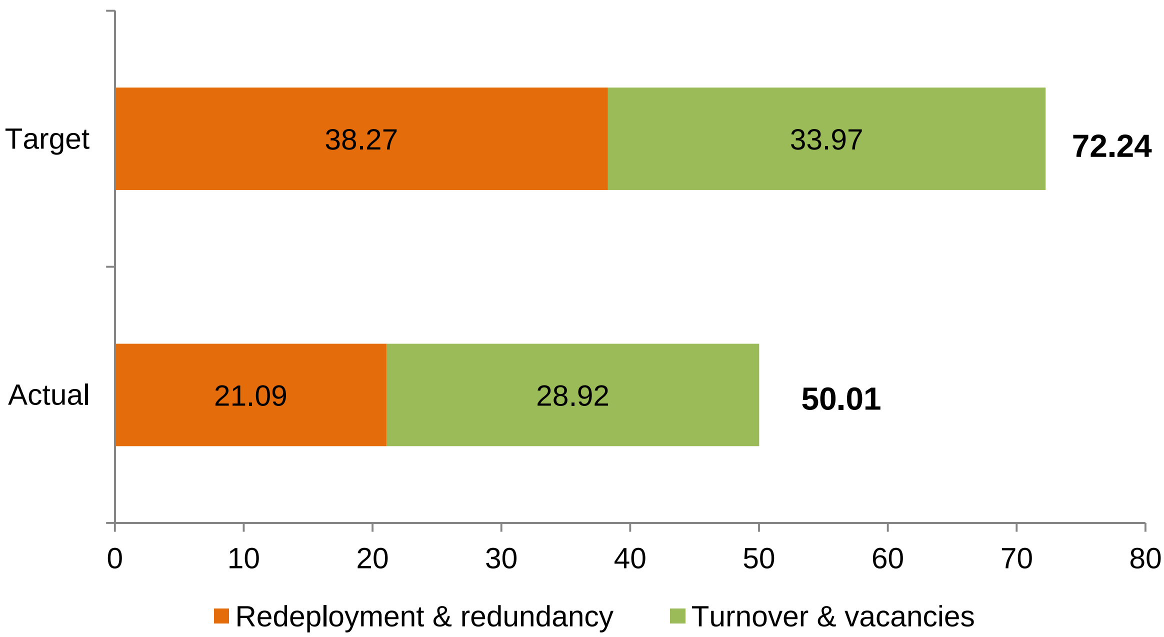
Other Precepting Authority

Humberside Police	44,447.6	7,848,113	0	7,848,113	176.57
Humberside Fire Authority	44,447.6				*

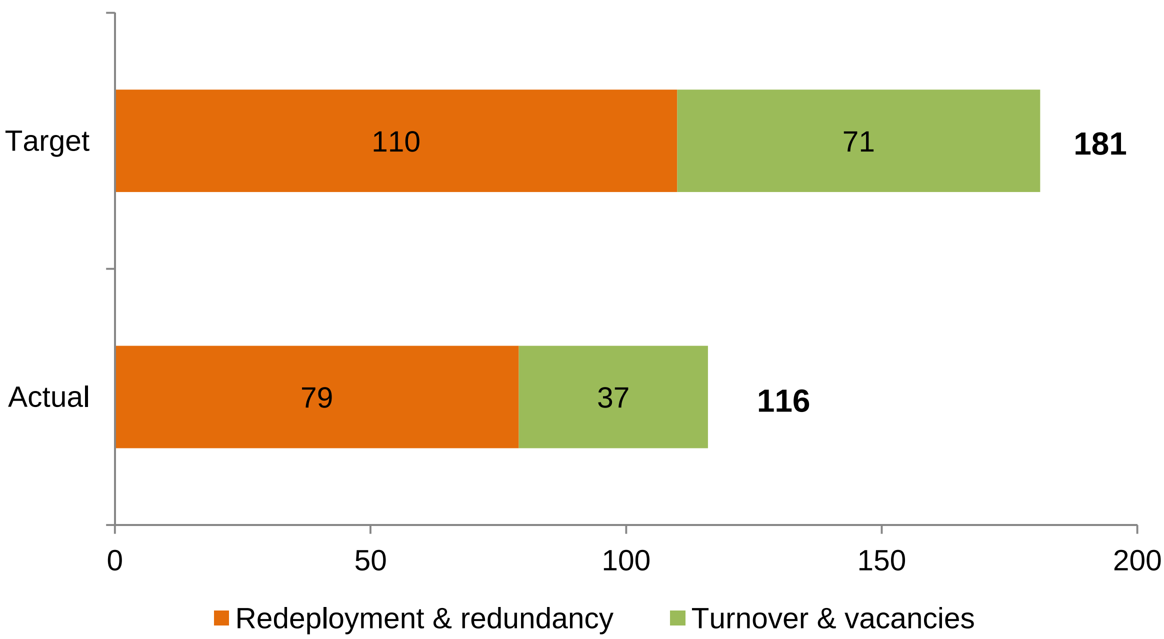
* Still awaiting confirmation of precept requirements from these parishes/precepting authorities

**To be set at Council

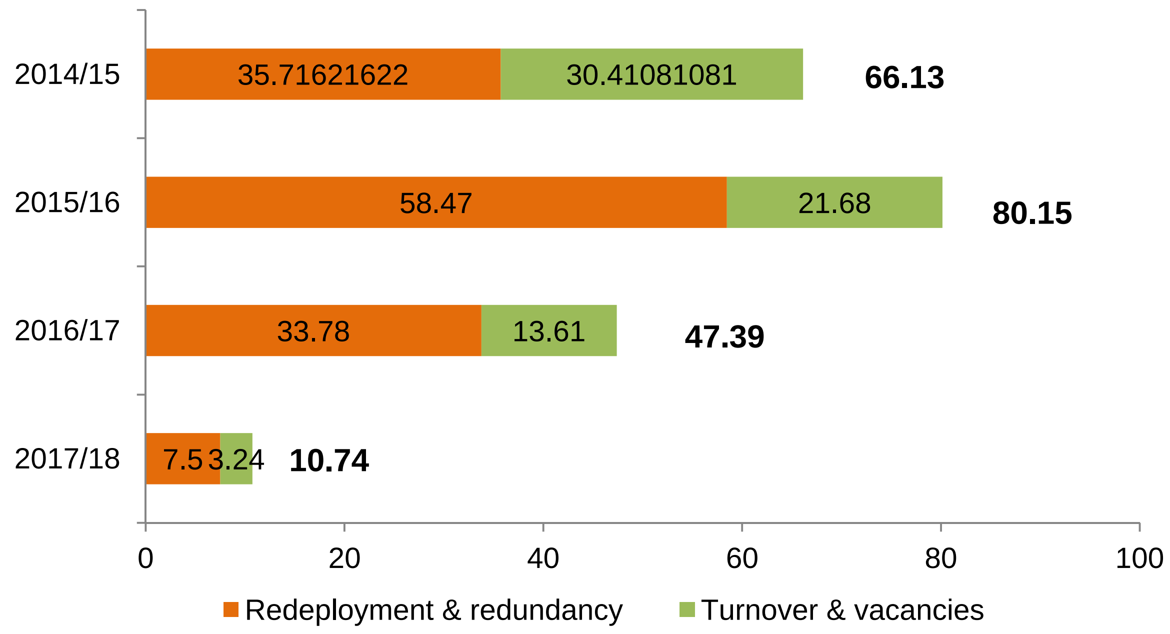
Workforce reduction during 2013/14
Full time equivalent



Workforce reduction during 2013/14
Number of posts affected



Workforce reduction during 2014/18 - target
Full time equivalent



Workforce Reduction during 2014/18 - target
Number of posts affected