

Report to Cabinet

Subject: Gedling Plan 2016-19 (including General Fund Revenue Budget)

Date: 16 February 2017

Author: Senior Leadership Team on behalf of Leader of the Council

Wards Affected

Borough wide.

Purpose

This report sets out the priorities, objectives and top actions for the Council for the forthcoming year with the associated revenue budget.

Key Decision

This is a Key Decision.

Background

- 1.1 The Constitution of the Council requires the Leader to present, before 21 February each financial year, a draft Budget and Performance Plan to the Cabinet for approval, highlighting budget priorities, growth items and proposed cuts.
- 1.2 The Executive is required to consider any comments made on the draft Budget and Performance Plan and present the final drafts to Council for adoption in accordance with the statutory requirements. To fulfil these requirements the 2016-19 Gedling Plan and revenue budget proposals will be presented to Budget Council on 1 March 2017. The Borough Council has a statutory responsibility to determine its Council Tax by 10 March.
- 1.3 This report ensures these requirements will be met for the 2017/18 budget process.
- 1.4 The severe financial pressures that the authority continues to face following the further reductions in Government Grant Settlement and recently announced changes to New Home Bonus funding make this another extremely challenging budget round. As the Council relies heavily on central funding to deliver its services, any funding reductions require the Council to

make further budget cuts and efficiencies, and to generate additional income to deliver a balanced budget in the short and medium term.

Proposal

2. Gedling Plan

- 2.1 Members will recall that the Gedling Plan 2016/2019 setting out what the Council intends to achieve between 1 April 2016 and 31 March 2019 was approved by Full Council on 7 March 2016. This is the first time a 3 year plan has been developed by the Council, enabling a stronger link between the service and financial planning processes.
- 2.2 In 2016, it was noted that the Plan would be reviewed and updated on an annual basis to take into account new developments, emerging priorities and actions. The purpose of the annual review is not about creating a new Gedling Plan, but providing an opportunity to reflect on any changes necessary as a result of new challenges and the Council's ambitions. It is also an opportunity to re-focus, check and challenge whether the priorities, actions and performance indicators are the right ones.
- 2.3 This report presents a revised Gedling Plan 2017/19 (at Appendix 1) setting out an updated position one year on and provides a 'refreshed' suite of actions to take the Council to the end of the life of the current Plan. It also includes updated performance indicator targets.
- 2.4 The Plan is still based around 3 priorities, which have a range of objectives beneath them.

People

- Reduce anti-social behaviour, crime and fear of crime.
- Reduce hardship and provide support to the most vulnerable.
- Improve health and wellbeing.
- Promote and encourage pride, good citizenship and participation in the local area.

Place

- Create more jobs and better access to them.
- Ensure local people are well prepared and able to compete for jobs.
- Provide more homes.
- Provide an attractive and sustainable environment that local people can enjoy and appreciate.

Performance

- Improve the customer experience of dealing with the Council.
- Create a stronger commercial and entrepreneurial culture.

- Maintain a positive and productive working environment and strong staff morale.
- 2.5 When reviewing the Plan it is noted that a number of actions have already been reported as complete during 2016/17, therefore it is proposed these be removed from the revised Gedling Plan. A number of other actions have also been slightly re-worded to reflect the work to be progressed in the forthcoming year. A number of new actions have been introduced, but given the financial pressures faced by the Council these have been kept to a minimum.
- 2.6 Should the recommendations be agreed, progress against the actions and indicators will be reported to Members, including Cabinet and Overview and Scrutiny Committee and to the public online in the usual way. Accountability for individual actions and indicators will be shown clearly in the reports, with each having an accountable officer and lead portfolio holder.

3. Proposed General Fund Budget 2017/18

- 3.1 The Council's proposed General Fund budget sets out the financial strategy and framework for overall financial control and administration for the Council. It also details how individual items such as Central Government Funding, Taxation levels, Resource Developments etc. impact on the annual budget and this has been taken into account in presenting this annual budget and Medium Term Financial Plan (MTFP) Summary.

3.2 Principles Underpinning the Budget Strategy

The Council has a number of agreed principles as a basis for financial management and budget planning as follows:

- Emerging pressures are managed within existing overall budgets;
- Spending is aligned to key priorities as set out in the Gedling Plan;
- Income is only included in the budget where supported by robust proposals and is deliverable;
- The Council will maximise its commercial income where possible to ensure that fee charging services break-even over time and are provided with a nil cost subsidy from the taxpayer where appropriate, or return a surplus where appropriate;
- Where possible, future liabilities are anticipated;
- Budgets are sustainable;
- Savings proposals are supported by project plans and the impact on service delivery is clear;
- Capital and revenue planning must be integrated to ensure implications are fully anticipated;
- The Council's reserves and balances are not to be used as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.

In light of the anticipated medium term gap, the Council has developed a forward strategy to inform future financial planning, by providing a framework for reducing planned expenditure over the medium term to ensure the Council is financially sustainable, while still delivering the Council's key priorities as set out in the Gedling Plan.

To meet the financial challenges of the next five years the proposed approach represents a strategic shift in the focus of the organisation from a model based largely on cost reduction and service redesign, through to a strengthened focus on a more commercial council approach with an income earning emphasis.

3.3 Spending Review and Autumn Statement

The Chancellor of the Exchequer presented his annual Spending Review and Autumn Statement to Parliament on 23 November 2016. It provided an update on the state of the economy, based on the latest economic and fiscal forecasts from the Office for Budget Responsibility, and announced the Government's measures to promote economic growth.

The Autumn Statement set out how the government will return the public finances to health, while providing flexibility to support the economy in the near term and addressing long-term economic weaknesses through increased investment.

The government intends to return the public finances to balance as soon as possible in the next Parliament, with an interim objective of reducing the structural deficit to less than 2% of GDP, and for debt as a percentage of GDP to be falling by the end of this Parliament. This is a relaxation of the previous plans which, pre-Brexit, intended to achieve a public spending surplus of £10 billion in 2019/20.

To achieve its plans the government remains committed to maintaining fiscal discipline and therefore Government Departments will be expected to continue to deliver the overall spending plans as set out in the Spending Review 2015 which means there will be no easing of austerity for public services.

The Chancellor announced that the timetabling of budgets has been changed with the intention to have the Budget in the autumn and a Spring Statement. This switch will allow more time for scrutiny of funding decisions before they come into effect.

3.4 Local Government Finance Settlement & New Homes Bonus 2017/18

- 3.4.1 The local government finance settlement is the annual determination of funding for local government, distributing revenue raised from business rates and other funding streams through Revenue Support Grant and Business Rates Retention.

The 2017/18 Settlement determines how much Revenue Support Grant central government will give to each local authority in England in 2017/18 and sets the Baseline Funding Level for Business Rates (the actual amount of business rates funding will be determined by the actual amount of rates collected and movements in the business rates base in accordance with the business rates retention scheme).

The provisional settlement figures for 2017/18 were announced by the Department for Communities and Local Government on 15 December 2016. A full analysis of the provisional Settlement was completed by the Local Government Association and is attached at Appendix 2 for information.

During the Settlement process for 2016/17 the Government offered all councils a four year funding settlement for 2016/17 to 2019/20 conditional upon the publication of an efficiency plan. Gedling accepted the offer to gain funding certainty to enable more proactive planning of service delivery, as did all but 10 Councils.

The latest figures for the multi-year settlement are detailed in the table below:

Four Year Settlement - Spending Review Period 2016/17 – 2019/20

Year	Revenue Support Grant £	Business Rates £	Total £	Cash Reduction £	Movement from Prev. Year
2016/17	1,415,700	2,815,500	4,231,200	707,200	-14.3%
2017/18	780,500	2,873,000	3,653,500	577,700	-13.7%
2018/19	384,900	2,965,400	3,350,300	303,200	-8.3%
2019/20	0	3,013,900	3,013,900	336,000	-10.0%

The total cumulative settlement grant reductions equate to 39% or £1.9m in cash terms over the full spending review period 2016/17-2019/20 compared to the base position of 2015/16. Total Settlement grant reductions compared to the amount received in 2010/11 will be £5.8m or 66% by 2019/20.

Settlement has now reduced to 29% of Gedling's net budget for 2017/18, falling to 25% by 2019/20 at current spending levels, compared to 60% in 2010/11.

3.4.2 Business Rates Retention

- Current Business Rates Retention Scheme

The Business Rates baseline figures included in the Settlement have been recalculated by central government and all top-ups and tariffs adjusted to reflect the changes arising from the 2017 business rates revaluation exercise. The recalculation mitigates the financial impact of

the revaluation exercise to ensure this has only a minor impact on business rates baseline funding levels. Business rate appeals will remain a problem, as successful appeals could date back to earlier years, and the revaluation exercise may encourage further appeals to be submitted.

- Future 100% Business Rates Retention Scheme

The Government is committed to introducing 100% business rates retention by the end of this Parliament. Local government will retain 100% of business rates revenues to fund local services and the current system of top-ups and tariffs will be retained to ensure appropriate distribution of resources. The Government's intention is for this change to be fiscally neutral at a national level. As part of these reforms, the revenue support grant will be phased out, as demonstrated in the table above, and additional responsibilities devolved to local authorities (these are unknown at this stage), empowering them to drive local economic growth and support their local community. It is intended that the Uniform Business Rate will be abolished and any local area will be able to cut business rates, to win new jobs and generate wealth. Powers to increase business rates are only currently proposed for city-wide metro mayors for local infrastructure projects, with the support of local business.

A number of pilots are trialling the 100% retention proposal to enable the proposed system to be tested. The Government is expected to publish a further technical consultation in due course and the Secretary of State has confirmed that they intend to introduce a Bill into Parliament early in 2017.

3.4.3 New Homes Bonus

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is now funded from the centrally retained share of Business Rates income and paid as a separate non-ringfenced grant which is not part of the Settlement Funding Assessment. When the NHB was introduced, the Department for Communities and Local Government stated in its final scheme design that it was intended to be a predictable, permanent and enduring feature of local government funding.

The principles of the grant are to reward local authorities for each new property completed within their boundary plus an additional reward for returning empty properties back into use. The value of the reward is linked to the national average council tax band D property and each individual award is currently for a six year period.

During 2016/17 the Government consulted on changes to the New Homes Bonus with the intention of delivering savings to fund pressures in social care. The Government has now confirmed the following changes:

- Reducing the length of time that the bonus is paid from six years to five years in 2017/18. This will be followed by a further reduction to four years in 2018/19 thereafter;
- Removal of deadweight – the Government notes that some housing would be built regardless of the NHB and will remove what it terms as 'deadweight' from the payment. A 0.4% baseline has been set which means that local authorities will need to achieve taxbase growth of greater than 0.4% in each year before they receive any NHB funding. This is higher than the threshold consulted upon of 0.25% and the Government may further change this threshold in future years if there is a significant increase in housing growth;
- Payments will not be withheld in 2017/18 for authorities that have not submitted their local plan but the government will revisit this from 2018/19;
- Payments for residential developments allowed on appeal will be withheld with effect from 2018/19.

Impact of the Changed New Homes Bonus Scheme

The introduction of the 0.4% growth baseline effectively means that GBC would have to grow by 208 band D houses per annum before any payment is made. For the period measured for the 2017/18 New Homes Bonus i.e. October 2015 to October 2016, growth in Gedling was 157 band D equivalent houses, equivalent to 0.35% growth. This is below the national baseline of 0.4% and therefore Gedling will not receive any additional New Homes Bonus for 2017/18. For additional context, if new housing was built with a value below the band D average, then Gedling would need 312 Band A properties or 267 band B properties or 234 band C properties before even meeting the threshold for payment. Even then we would only receive NHB on properties over and above this quantity. The introduction of a baseline could remove any incentive to grow in relatively low growth areas and penalise areas with limited opportunity to grow.

Whilst there remains a possibility that Gedling will receive some New Homes Bonus in the future, (indeed the Government is still projecting £1,200,000 for Gedling in its Core Spending Power projection detailed para 3.4.4 below) housing growth would need to substantially increase above 2017/18 levels to generate, what would still be, a much reduced reward e.g. 100 band D properties above the baseline would generate approximately £150,000 of which 80% for Gedling i.e. £120,000 and 20% for the County (£30,000), based on current splits.

However, the Affordable Homes Premium does continue to be paid, irrespective of the baseline, at £350 per affordable unit. For 2017/18, 32 units of the growth were 'affordable', generating a total premium of £11,200 of which Gedling retains 80% or £8,960, with the remaining 20% paid to Nottinghamshire County Council.

Due to the uncertainty surrounding future NHB it is considered prudent for medium term financial planning purposes to assume that zero NHB awards will be available to support revenue financing going forward. Any future awards will be available to support one off projects or an increase in balances to support future budgets.

The table below details the projected financial impact of the new NHB scheme compared to the indicative figures included in the 2016/17 MTFP estimate (which were based on Government's 2016/17 Core Spending Power projection):

New Homes Bonus Projections Compared to 2016/17 MTFP Assumptions

Payment Relating to	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
2011/12	339,800					
2012/13	409,600					
2013/14	366,300	366,300				
2014/15	448,100	448,100				
2015/16	467,700	467,700	467,700			
2016/17	368,800	368,800	368,800	368,800		
2017/18		8,900	8,900	8,900	8,900	
2018/19			0	0	0	0
2019/20				0	0	0
2020/21					0	0
2021/22						0
2017/18 MTFP	2,400,300	1,659,800	845,400	377,700	8,900	0
Total 16/17 MTFP	2,400,300	2,400,300	1,520,400	1,458,800	1,458,800	1,458,800
Shortfall	0	(740,500)	(675,000)	(1,081,000)	(1,449,900)	(1,458,800)

This change clearly presents a significant additional financial challenge that was not expected at the March 2016 budget setting process.

3.4.4 Core Spending Power 2019/20 Compared to 2015/16

As part of the Settlement announcements the Government includes its projection of Core Spending Power for each authority for the current spending review period 2016/17 to 2019/20. For Gedling the components of Core Spending Power include the Settlement Funding Assessment (revenue support grant and business rates), the Government's estimate of Council Tax Receipts and the New Homes Bonus and these are summarised in the table below:

Core Spending Power 2016/17 to 2019/20

Year	Settlement £m	Assumed Council Tax £m	New Homes Bonus £m	Total £m	Movement from 2015/16
2015/16	5.0	5.5	2.0	12.5	-
2016/17	4.2	5.5	2.4	12.2	-2.4%
2017/18	3.7	5.8	1.6	11.1	-11.2%
2018/19	3.0	6.0	1.3	10.7	-14.4%
2019/20	3.0	6.4	1.2	10.6	-15.1%

The Government's estimate of council tax receipts assumes that District Councils will increase Council Tax by the maximum possible of £5 or 2%, whichever is greater. However, actual council tax receipts will be determined by local decisions for council tax increases and actual taxbase growth. The Government forecast presents a total cumulative reduction in core spending power by 2019/20 of 15.1% when compared to 2015/16, **making Gedling the 8th worst affected Council in the country.**

However, as detailed in paragraph 3.4.3 above, the Government's assumptions about New Homes Bonus rely upon a significant increase in new homes, which is considered unrealistic. The table below details the current spending power assumptions included in the MTFP i.e. including the NHB detailed in the table at paragraph 3.4.3 and shows a forecast 23.2% reduction in spending power in 2019/20 compared to 2015/16:

Year	Settlement £m	Forecast Council Tax £m	New Homes Bonus £m	Total £m	Movement from 2015/16
2015/16	5.0	5.5	2.0	12.5	-
2016/17	4.2	5.5	2.4	12.2	-2.4%
2017/18	3.7	5.7	1.6	11.0	-12.0%
2018/19	3.0	6.0	0.8	9.8	-21.6%
2019/20	3.0	6.2	0.4	9.6	-23.2%

3.4.5 Council Tax Increase Referendum Trigger

The Localism Act 2011 gives powers to the local community to either endorse or veto Council Tax rises that are above a limit which is to be set annually by the House of Commons. If a local authority decides to implement a council tax increase above the government set limit this will trigger a referendum so that local voters can either support or reject the proposed rise.

The Government has announced that the referendum limit for 2017/18 for Shire Districts has been set at a 2% or £5 increase, whichever is greater. Any

Council which sets an increase greater than the referendum limit and does not get support from the electorate via the referendum will have to revert to a council tax level that is compliant, and bear the costs of re-billing its residents.

3.5 Council Tax Reduction Scheme Grant

The Council Tax Benefit system was replaced on 1 April 2013 with the Council Tax Reduction Scheme (CTRS) which provides a discount on the council tax bill for eligible applicants. Gedling's initial scheme, which was approved by Council on 19 December 2012, was devised to ensure the most vulnerable are protected by making the discount receivable equivalent to the benefit which would have been payable under the previous system. The basis of the original scheme is proposed to continue for the 2017/18 financial year updated to reflect legislative changes.

At the outset the CTRS was funded partly by Government Grant, initially set at a rate 10% less than previously available as benefit subsidy, and the remainder by introducing new tax charges for empty properties. Gedling's share of the Council Tax Reduction Scheme non-ringfenced grant, was previously specified at £706,325 for 2013/14, but this has now been incorporated into the base Settlement funding assessment and specific grant figures for CTRS are no longer identifiable or quantifiable. It is reasonable to assume that the government funding for CTRS is reducing in line with the settlement funding assessment reductions and will be removed entirely by 2019/20.

The non-ringfenced CTRS grant included an amount to fund the impact of taxbase reductions on local parish precepts, initially predicted by Government at £47,500. However, as the CTRS grant is not protected from settlement funding reductions the amount of grant to be paid to Parish Councils needs to be determined on an annual basis. Accordingly, the grant was reduced by £6,800 in 2016/17 and for 2017/18 it is now proposed that the grant be reduced by £7,200 to leave total grant funding of £33,500. As further cuts to our funding are anticipated over the next few years, (as detailed above) further reductions in the level of parish support will be considered in future budget processes.

3.6 General Fund Budget 2017/18 Summary

- 3.6.1 The following table summarises the proposed General Fund Budget for 2017/18. The detailed Gedling Plan budgets are presented at Appendix 3 together with an explanation of major variances between the original estimate for 2016/17 and the estimate for 2017/18. In developing a budget proposal, assumptions on the core budget have to be made and the various assumptions in respect of inflation are shown at Appendix 4. These have been included in both the annual base budget and MTFP calculations.

General Fund Budget Summary 2017/18

Portfolio	Original Budget 2016/17 £	Base Budget 2017/18 £	Variance £
Community Development	1,511,700	1,556,700	45,000
Housing, Health and Wellbeing	2,236,500	2,365,800	129,300
Public Protection	1,569,500	1,649,200	79,700
Environment	4,424,100	4,765,400	341,300
Growth and Regeneration	1,022,300	985,800	(36,500)
Resources and Reputation	1,779,400	1,833,100	33,700
Net Portfolio Budget	12,563,500	13,156,000	592,500
Transfer to/(from) Earmarked Reserves	59,800	(674,900)	(734,700)
Net Council Budget	12,623,300	12,481,100	(142,200)

3.6.2 Major Budget Pressures

In addition to the expected inflationary pressures detailed in Appendix 4 the base budget and Medium Term Financial Plan include the following major budget pressures **greater than £50,000**:

- Pay increments arising from the pay line review - £262,000;
- Actuarial review of Pension Fund forecast to increase Employers Pension Contributions from 12.3% to 15.1% partly offset by reduced pension deficit contributions - £234,000;
- Employee Pay Award 1% - £122,000;
- Increased borrowing costs MRP/Interest - £187,900;
- Reduced Investment/Local Authority Mortgage Scheme interest income - £79,600;
- Reduced external grounds maintenance contracts - £53,000

3.6.3 Major Budget Reductions

Efficiency/Budget Reduction Programme 2014/15 – Progress Update

During the 2014/15 budget process a significant programme of budget reductions totalling £2.458m was approved for delivery between 2014/15 and 2018/19 to ensure achievement of a sustainable Medium Term Financial Plan. The approved budget reductions covered a range of revenue and capital related proposals using a variety of strategies i.e. efficiency, new ways of working, income generation and service cuts. A risk assessment of the programme of budget reductions identified the establishment of a risk provision of £179,500. Delivery of the programme has progressed well and final outturn figures are expected to be broadly in line with the original estimates net of the risk provision. However, the timescale for delivery of the planned community centre and capital receipt related reductions is slower than anticipated with the latter being due to the delay in the sale of a major development site with receipts now expected over the period 2017/18 to 2022/23.

In order to facilitate the delivery of the budget reduction programme the 2014/15 Council approved the establishment of a Transformation Reserve over 3 years totalling £500,000 and this is forecast to be fully utilised by the end of 2017/18.

Efficiency/Budget Reduction Proposals – New Programme 2017/18

Following further significant reductions in settlement grant funding, Budget Council, at its meeting on 7 March 2016, approved an efficiency target of £1.15m for the period 2017/18 to 2020/21 and instructed officers to develop delivery plans for the 2017/18 budget process. These budget reduction targets were set in order to deliver a sustainable Medium Term Financial Plan.

As detailed at paragraph 3.4.1 the four-year settlement offer was dependent upon the Council publishing an Efficiency Strategy which was approved by Council on 16 September 2016. Budget reduction plans have been completed in accordance with the three themes contained in the Efficiency Strategy:

- **Efficiency & Effectiveness** – including: service efficiencies delivering the same level of service with a reduced level of resource; effective asset management; new ways of working including service re-engineering and new delivery methods; demand management; and service reductions or cessation;
- **Contract Management** – improved value for money in procurement;
- **Income Generation** – to maximise all income and reduce the level of subsidy provided in our discretionary service areas moving towards full cost recovery where appropriate; innovation/new ideas for new income streams.

The proposed budget reductions over the five year period of the Council's Medium Term Financial Plan i.e. 2017/18 to 2021/22 total **£1,694,200**. This is higher than the initial target set by Council to reflect the increased risks arising from proposed changes to New Homes Bonus and economic uncertainty following Brexit. The tables below summarise the proposed budget reductions analysed by Portfolio and Reduction Type, and a detailed list is included at Appendix 5.

It is recognised that as we work to implement these proposals some resources will be required to manage the change effectively and therefore it is proposed that a new Transformation Fund be established totalling **£600,000** over the next 3 years i.e. £200,000 per annum 2017/18 to 2019/20. This will cover all change management costs, including costs of redundancy/retirement. It is also recognised there are risks in being able to deliver the full amounts of the savings in the timescales projected, therefore it is also recommended that a Budget Reduction Risk provision is recognised at **£140,000** over the course of the programme, equating to approximately 8% of the planned reductions.

Summary of Budget Reduction Proposals

Portfolio	Inclusion in 2017/18 Budgets and MTFP			
	2017/18 £	2018/19 £	2019/20 - 2021/22 £	Total £
Community Development	28,800	9,400	96,700	134,900
Housing, Health & Wellbeing	147,800	113,600	35,000	296,400
Public Protection	48,400	0	39,500	87,900
Environment	61,000	70,800	263,700	395,500
Growth & Regeneration	41,000	27,400	30,000	98,400
Resources & Reputation	205,200	168,600	307,300	681,100
Total	532,200	389,800	772,200	1,694,200

Budget Reduction Proposals Summarised by Type

Summary 2017/18 - 2021/22	Efficiency and Effectiveness £	Contract Management £	Income £	Total £
Community Development	132,400	0	2,500	134,900
Housing, Health & Wellbeing	214,500	0	81,900	296,400
Public Protection	16,000	0	71,900	87,900
Environment	97,500	8,000	290,000	395,500
Growth & Regeneration	43,400	5,000	50,000	98,400
Resources & Reputation	489,700	48,300	143,100	681,100
Total	993,500	61,300	639,400	1,694,200

Other Major Base Budget Reductions

The base budget and Medium Term Financial Plan include the following major budget reductions **greater than £50,000**:

- Additional income generation due to customer growth and new income streams in a variety of service areas e.g. Waste and Planning (excluding inflation and new income included in the Budget Reduction Proposals at 3.6.3 above) - £170,400.

3.6.4 Proposed Revenue Resource Developments 2017/18

Following discussions with the Leader, the Revenue Resource Developments detailed in the tables below are recommended to Cabinet for approval.

The table below show schemes scoring 15 points and above using the Council's approved methodology which ranks schemes in accordance with the level of contribution made towards the achievement of the Council's Priorities and Improvement Plans.

(a) Revenue Resource Developments 2017/18

Description	Gross Revenue Bid 17/18	2018/19 Ongoing	Score
	£	£	
Delivery of Digital Agenda	50,000	50,000	33
Temporary Empty Homes Officer	33,400	0	34
Total Revenue Resource Development Bids	83,400	50,000	

In addition to the revenue resource development proposals a number of capital resource developments (see capital programme report an item elsewhere on this agenda) have ongoing revenue implications which have been included in the revenue budget and MTFP, as detailed in the table below:

(b) General Fund Ongoing Revenue Cost of the Proposed Capital Resource Development Proposals (excluding borrowing costs)

Description	Capital Budget – For Information	Revenue Costs 2017/18	Revenue Costs Ongoing
	£	£	£
Strategic Intervention Fund	950,000	20,000	20,000
Calverton Leisure Centre - Soft Play Area	140,000	(5,900)	(31,300)
Carlton Forum/Redhill – Interactive Cycling Simulator	20,000	(5,400)	(5,400)
Total Ongoing Revenue Costs/(Saving)		8,700	(16,700)

3.6.5 Income Inflation

The Medium Term Financial Plan includes income inflation at 3% on discretionary income, (excluding leisure DNA, Trade Waste, Building Control), which equates to £73,000, and the increase per Portfolio is shown in the table below. Each additional 1% increase will raise a further £24,300.

It is suggested that the Portfolio Holder agrees individual charges with the relevant Corporate Director, with discretion to vary the percentage increase, as long as the overall cash amount for that Portfolio is raised or exceeded.

Portfolio	Discretionary Income £	1% increase £	3% increase £
Community Development	85,000	900	2,400
Housing, Health & Wellbeing	1,494,900	14,900	44,900
Public Protection	26,000	300	800
Environment	502,200	5,000	15,100
Growth & Regeneration	3,100	0	100
Resources & Reputation	323,900	3,200	9,700
Total	2,435,100	24,300	73,000

Some of the services operated by the Council are not included in the general fee inflation increase due either to: the sensitivity of demand to price changes e.g. Leisure DNA, Garden Waste or; being operated on a commercial basis and therefore required to breakeven e.g. Trade Waste Services and Building Control. The levels of fees which are set in these areas are considered separately and the base budget amended to ensure appropriate fees are set.

3.6.6 Summary of Significant Budget Changes 2017/18

In summary, the table below highlights the areas of significant variance in expenditure/income, in excess of £10,000, per annum which have been reflected in the base budget 2017/18.

Significant Budget Changes 2017/18

	Budget Impact 2017/18 £	£
Original Net Council Budget 2016/17		12,623,300
<u>Revenue Budget Pressures</u>		
Inflation Pay Award 1%	122,000	
Increments due to Payline review	262,000	
Pension Contribution Increase	234,000	
Pension Auto Enrolment	30,000	
Impact of Increased Borrowing MRP & Interest	187,900	
Reduction in Investment Interest Income	79,600	

	Budget Impact 2017/18 £	£
Reduced Council Tax Support Subsidy Grant	17,200	
Reduced Housing Benefit Admin Grant	27,600	
Reduction in External Building Services Consultancy	15,000	
Increase in PASC Agency costs	25,000	
Reduced External Grounds Maintenance Contracts	53,000	
Other minor variances (net)	2,900	
Total Pressures		1,056,200
<u>Revenue Budget Growth</u>		
Development Bid 2016/17 - Gedling Country Park Visitor Centre	50,000	
Revenue development bids 2017/18 (see table above)	83,400	
Total Growth		133,400
<u>Revenue Budget Reduction Review (Appendix 5)</u>		
Budget Reductions for delivery in 2017/18	(532,200)	
Less One off Reserves Created:		
Budget Reduction Risk Reserve	36,000	
Transformation/Change Reserve	200,000	
Total Budget Reduction Review (net)		(296,200)
<u>Other Base Budget Reductions</u>		
Efficiency Commitments made during 2014/15 Budget Reduction Process:		
<ul style="list-style-type: none"> • Community Centres Asset Transfer 	(20,800)	
<ul style="list-style-type: none"> • End of Netherfield Lagoons/Groundwork Projects 	(25,700)	
<ul style="list-style-type: none"> • Planned removal of 2016/17 Transformation Fund 	(50,000)	
NNDR Reduction Civic Centre	(17,400)	
Reduction in Postage (volume and pricing)	(16,000)	
Reduction in Fuel Prices	(10,300)	
Reduction in Gas/Elec/Water	(31,600)	

	Budget Impact 2017/18 £	£
Removal of Gym Equipment Maintenance contract	(20,400)	
Fees and Charges Income Inflation (see para 3.6.5)	(73,000)	
New Income:		
Additional Garden Waste Income (customer growth)	(34,000)	
Additional Major Application Planning Income	(92,500)	
Additional CIL Income	(30,000)	
Increase in Recycling Credits	(13,900)	
Planned Removal of the 2016/17 Direct Revenue Financing for Gedling Country Park Visitor Centre	(500,000)	
Planned removal of the 2016/17 one off Gedling Country Park Projects Fund	(100,000)	
Total Other Budget Reductions		(1,035,600)
Net Decrease in Budget 2017/18		(142,200)
Proposed 2017/18 Net Council Budget		12,481,100

Note: In addition to the above 2017/18 budget changes the MTFP includes the following:

- Additional impact of Pension Auto Enrolments of £25,000 in 2018/19;
- Impact of Living Wage increases in 2019/20 of £46,000 rising to £113,500 by 2020/21;
- Payline Review Increments in 2018/19 of £67,000;
- Increased Service demands rising from an increasing number of households and ageing population are anticipated to the value of £100,000 in 2018/19;
- Assumptions about the transfer of Housing Benefit administration to the Department of Works and Pensions following the introduction of Universal Credit have been made. The net cost to the authority is expected to be £50,000 in 2018/19 rising to £200,000 by 2020/21;
- Assumptions have been made regarding the transfer of Land Charges functions to the Land Registry in 2019/20 which has a budget impact of £83,500;
- Additional borrowing costs for MRP/Interest of £70,000 by 2020/21.

3.6.7 **Review of Balance Sheet Reserves**

The Local Government Act 2003 requires authorities to consider the level of reserves when calculating their budget requirements. Professional guidance is set out to assist in this deliberation.

The Council minimum General Fund Balance requirement is set at 7.5% of the Net Council Budget which is £0.936m for 2017/18. The General Fund balance is currently projected to be in excess of the minimum by £4.1m at 31 March 2018. The medium term projection on the General Fund Balance is detailed in the Medium Term Financial Plan summary at paragraph 4 below.

Earmarked Reserves on the balance sheet have been reviewed to ensure appropriate levels of funds are retained for specific future purposes and risks. The estimated movement on reserves for 2016/17 and 2017/18 are detailed at Appendix 6 and show expected balances of £3.4m at 31 March 2018.

3.6.8 **Financing of the Capital Programme**

As detailed in the Capital Programme report earlier on this agenda it is currently forecast that borrowing will be required to finance part of the capital programme in 2017/18 to 2019/20. Borrowing has an impact on the revenue budget in terms of interest costs and principal repayment. This is reflected in the Medium Term Financial Plan. Direct revenue financing of the capital programme of £441,400 is proposed, funded by earmarked reserves, to finance a variety of capital projects as detailed in the capital programme report.

3.6.9 **Collection Fund**

Council Tax

The Council is statutorily obliged on 15 January each year to prepare an estimate of its Collection Fund transactions for Council Tax. This estimate enables Gedling and the three major precepting authorities to take account of any surpluses or deficits on the Fund when they set their own authority budgets.

Collection Fund balances at 31 March 2016 were worse than forecast and resulted in a deficit of £0.751m carried forward. A surplus of £0.987m was declared on 15 January 2016 for distribution in 2016/17. A deficit of £1.5m has been declared for 2017/18, which will be split between the major preceptors in line with their council tax requirements – for Gedling, the share of the declared deficit is £0.148m. The primary reason for the deficit on the council tax collection fund is over-declared surpluses in previous years which now need to be re-couped. Excluding the recovery of previous over-declared

surpluses, an actual in-year surplus of £0.238m is forecast for 2016/17 due to lower discounts applicable.

Business Rates

Business Rates Collection Fund balances at 31 March 2016 were better than forecast and resulted in a deficit of £0.738m carried forward compared to the deficit of £1.368m that was declared for distribution, a reduction of £0.630m. Consequently, a surplus of £0.583m has been declared for 2017/18, which will be split between the major preceptors in line with their share of business rates income – for Gedling, the share of the declared surplus is £0.233m. The primary reason for the surplus on the business rates collection fund is over-declared deficits in previous years which now need to be repaid.

3.6.10 Business Ratepayers Consultation

Statutory consultation with 100 business ratepayers has been undertaken and any responses will be reported at the meeting.

4. MEDIUM TERM FINANCIAL PLAN

- 4.1 The implementation of the Local Government Act 2003, which introduced a requirement for the Council's Chief Financial Officer to comment on the robustness of the Council's estimates, and the need to look at the medium term (3 years) in order to produce the required indicators as detailed in the Prudential Code, means greater emphasis needs to be placed on the Council's medium term financial planning. Although an absolute requirement to look over three years is required, it is considered good practice to look over as long a period as is reasonable. This Council has a history of producing a Medium Term Financial Plan over a 5 year horizon and this is still considered the appropriate period for this authority.
- 4.2 The following table (a) identifies the impact of all the options that are proposed in this report:
- The incremental increase in base revenue expenditure from 2016/17 and budget growth items (paragraph 3.6.4);
 - Fees and charges to be increased by an average 3%;
 - Planned budget reductions and efficiency savings 2017-22 (paragraph 3.6.3);
 - Anticipated cost of borrowing to finance the capital programme for 2017-22;
 - A £5 Council Tax increase has been assumed for each year of the MTFP which is in line with the Government's assumption that all districts will use their maximum flexibility to increase Council Tax as included in their Core Spending Power calculation (as detailed at paragraph 3.4.4). However, future council tax increases will be dependent upon future spending

decisions, total local government funding and the achievement of efficiency savings.

Table (a) demonstrates that additional savings and/or income will need to be identified beyond year 2 (2018/19) to achieve a sustainable plan.

(a) MEDIUM TERM FINANCIAL PLAN 2017/18 TO 2021/22 - HIGH LEVEL SUMMARY

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Net Council Budget	12,481,100	12,441,900	12,696,200	12,331,000	12,315,900
Financed by:					
Less: Net Settlement Funding Assessment	(3,653,500)	(3,350,300)	(3,013,900)	(3,013,900)	(3,013,900)
New Homes Bonus	(1,659,800)	(845,400)	(377,700)	(9,000)	0
Council Tax Collection Fund (Surplus)/Deficit	148,200	0	0	0	0
NNDR Growth/ Collection Fund (Surplus)/Deficit	(989,400)	(250,000)	(400,000)	(500,000)	(500,000)
Less: Amount (from)/to Balances	(587,700)	(2,014,600)	(2,676,600)	(2,330,000)	(1,889,900)
Council Tax Requirement	5,738,900	5,981,600	6,228,000	6,478,100	6,732,100
Council Tax increase	£5 (3.27%)	£5 (3.16%)	£5 (3.07%)	£5 (2.97%)	£5 (2.89%)
Tax Base	36,306	36,681	37,056	37,431	37,806
Expected balances at year end	5,007,300	2,992,700	316,100	(2,013,900)	(3,903,800)
Required balance (7.5% projected exp)	936,100	933,100	952,200	924,800	910,200
(Surplus)/Deficit on required balances	(4,071,200)	(2,059,600)	636,100	2,938,700	4,814,000

4.3 Table (b) demonstrates the impact on balances if an efficiency/budget reduction target of £1.9m is delivered between 2018/19 and 2020/21 i.e. no underlying deficit between income and expenditure by 2021/22 and a surplus on minimum balances at the end of the Medium Term Financial Plan.

The Council has a strong track record of delivering efficiency savings/budget reductions but in previous years savings targets have been supported by outline business plans. As the indicative New Homes Bonus reductions have only recently been announced, firm efficiency proposals still need to be developed and therefore this aspect of the financial plan is less robust than usual. It is recommended that Members approve the cumulative efficiency target of £1.9m for 2018/19 onwards, made up of the following annual ongoing targets: **2018/19 £500,000; 2019/20 £700,000; 2020/21 £700,000.**

(b) Proposed Efficiency/Budget Reduction Target and Impact on MTFP/General Fund Balance

	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
New Efficiency Target – reducing Net Projected Expenditure	0	(500,000)	(1,200,000)	(1,900,000)	(1,900,000)
Amount (from)/to Balances	(587,700)	(1,514,600)	(1,476,600)	(430,000)	10,100
Expected balance at year end	5,007,200	3,492,700	2,016,100	1,586,100	1,596,200
(Surplus)/Deficit on required balance	(4,071,200)	(2,597,100)	(1,153,900)	(803,800)	(828,500)

5. COUNCIL TAX

5.1 The Council Taxpayer has to meet the difference between the planned expenditure and the Government grant receivable after the use of any balances are taken into account. It is this difference that is used to calculate individual Council Tax bills for 2017/18.

5.2 Gedling's share of the council tax for a band D property for 2016/17 is £153.07. The level of council tax for 2017/18 depends on the extent of service reductions/developments and financial risk issues (see paragraph 6 below) that the Council decides to provide for in the budget for next year. For illustration, an increase in Council Tax by 1% provides additional funding of £55,500. In the above MTFP a £5 (3.27%) increase has been assumed which is the maximum allowed without requiring a referendum and which results in a Council Tax for a band D property at £158.07.

6. **ROBUSTNESS OF ESTIMATES**

- 6.1 Sections 25 and 26 of the Local Government Act 2003 place a personal duty on the Chief Finance Officer to make a report to Council when considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of reserves.

The Act requires Members to “have due regard to the report in making their decisions”. Where this advice is not accepted, it should be formally recorded within the minutes of the Council Meeting.

Under Section 25 of the Local Government Act 2003 the Section 151 Officer is required to provide a commentary assessing the robustness of the estimates when Cabinet and Council are considering the budget proposals.

The key strategic risks in considering the 2017/18 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan are detail in paragraphs 6.2 to 6.8 below.

6.2 **Financial Settlement/Funding Streams**

The Comprehensive Spending Review of 2015 and Autumn Statement 2016 identified a number of significant changes to future local government financial settlements and grant funding. The overall message is one of continuing financial restraint which in itself creates some degree of inherent risk. The following specific items carry a particular risk for this authority:

- **Business rates retention**: It is intended that over the spending review period that business rates will be 100% retained locally and the Central Government support in respect of Revenue Support Grant will be phased out. The intention is that this will be fiscally neutral and in order to achieve this, additional responsibilities will need to be transferred to Local Government. Any retention of business rates will still require a mechanism to ensure funding is distributed in respect of need which will create winners and losers. With an obvious emphasis already included in the Spending Review to support upper tier authorities in respect of their funding for social care, there is a real risk that district councils could lose further under any new allocation process.

In addition, care will need to be had to ensure that new transferred responsibilities are capable of being fully funded in both the short and long term.

The current retention of business rates has shown the volatility of this funding in respect of the appeals process, the prediction of future growth, and the potential for significant local impact where a large business relocates/closes. These changes are likely to require local authorities to hold higher levels of reserves in the future.

- **New Homes Bonus**: the main body of the report at paragraph 3.4.3, identifies the significant impact that changes to this funding stream has for Gedling Borough Council due to the introduction of a 0.4% growth baseline resulting in a zero NHB for the 2017/18 year. Whilst there is still an opportunity to receive NHB in the future if growth levels increase, it is considered that there is a significant downside risk to this arising and it is no longer prudent to rely on this funding stream to support the revenue budget. Therefore the MTFP assumes future payments will be zero. In the event that the Council does receive some NHB in the future, this will be used to support projects or be transferred to balances to support future budget setting.
- **Council Tax**: The Government's Core Spending Power figures are based on the assumption that Council Tax will be increased by 2% or £5 per annum whichever is greater, and that significant growth in the tax base will be achieved by the creation of additional hereditaments. These may be optimistic assumptions and in any case leave very little room for local discretion to set a higher Council Tax in order to plug any funding gaps. The MTFP contained in this report assumes that the maximum increase will be applied in each year of the plan but the actual increase will be determined on an annual basis by Council. Any increase below the maximum allowed will require an increase in the budget reduction targets to ensure a balanced budget can be set.
- **Economic Growth/Inflation**: The Chancellor has based future spending decisions on estimates of future growth and an assumption on inflation. Although these figures are supported by the independent Office of Budget Responsibility there is a degree of uncertainty in these figures, especially following the Brexit decision. Whilst there is now more certainty of future Settlement funding due to the acceptance of the four year settlement offer, effectively this does now result in zero RSG from 2019/20 and with New Homes Bonus also reducing to zero any future pressure arising from an economic downturn would need to be managed within local resources i.e. from further budget reductions. A commercial strategy is currently being developed which will be implemented to support the achievement of a balanced budget through new income streams and increased efficiency to ensure a minimum adverse impact on service levels.

Inflation assumptions have been incorporated in the MTFP as detailed in Appendix 4, including a 1% pay award for the next five years.

- 6.3 A minimum balance of 7.5% of total projected net expenditure on the General Fund is recommended by the Chief Financial Officer to be a prudent amount given the scale of the business conducted by the Council. The external auditor regards this level of balance on the General Fund to be satisfactory, and it is also appropriate to reflect uncertainties in the financial position in the medium term. The minimum balance required for 2017/18 is £936,100.

6.4 The (surplus)/deficit on balances in MTFP table (a) above shows amounts (above)/below the recommended minimum General Fund balance in any one year. Current spending plans show a surplus of £4,071,200 in 2017/18 declining to a deficit on balances of £636,100 by the end of 2019/20 if no new efficiency plans are progressed during the period of the MTFP. Underlying this is an annual deficit between the amounts of income expected and anticipated expenditure. MTFP projections at paragraph 4.3 above show that this can only be accommodated within available balances by setting additional spending reduction targets for 2018/19 onward. If the proposed target of £1,900,000 is approved, the surplus on balances by 2021/22 will be £828,500. Whilst this does not leave an annual deficit between income and expenditure to be managed beyond the five-year horizon (assuming all budget assumptions are accurate) this does still not leave significant capacity to manage future budget pressures that may arise which will have to be managed by further budget reductions.

Inclusion of Future Non-costed Savings targets: The Medium Term Financial Plan can only be balanced by the inclusion of £1.9m of future savings targets. Usually when future efficiency savings are included in our financial planning processes these figures have robust outline business cases, but in this case these targets have been assessed as the **minimum** figure required in each year in order to deliver a sustainable plan. Although the council has a good track record of delivering efficiencies and identifying areas for reduction/savings this element of the MTFP is less robust than that which is usually acceptable and therefore has a greater degree of uncertainty than is usually acceptable. The challenges that lie ahead are therefore even greater than in previous years, although this plan is overall still considered robust. It must be recognised that these uncertainties have been caused by the change to NHB by the government which were not anticipated and did not feature as part of the consultation process. Furthermore, Gedling is not alone in facing this challenge - it is a national problem - and it is better placed than most councils to react and to develop strategies to meet the set efficiency targets.

6.5 Initiatives introduced to manage within reduced resources bring increased risks both financially and in terms of service delivery. For example:

- Reduced maintenance budgets – can be accommodated in the medium term but may bring pressures in the longer term as major capital investment plans may need to be accelerated as assets deteriorate faster;
- Earmarked reserves for specific purposes/risk management have been reviewed and will be managed at minimum requirement levels providing less scope for managing emerging risks. However, additional reserves have been set aside for the potential staffing redundancy/transfer costs in respect of the move of rent allowance payments to the Universal Credit system.

- 6.6 The Authority continues with activities undertaken in association with a variety of partners. This requires reliance on partnership funding and/or the delivery of integrated programmes and is an approach which is integral to the Council's efficiency programme. However, a significant number of the Council's partners are public sector organisations which are also facing significant budget pressures and changing roles. This places increasing risk on the Council both directly, in respect of possible withdrawal of partnership funding, and indirectly, with the Council potentially facing additional burdens resulting from budget cuts in other organisations. This is especially true in respect of the most vulnerable in society which could therefore have a direct impact on troubled families initiatives, homelessness and those with specialist housing need.
- 6.7 Although there is increased risk arising from these assumptions, it is not considered necessary to increase minimum balances above the 7.5% of total projected net expenditure as the Council is responding to the challenges through efficiency measures and service reductions. In addition it is anticipated that further efficiency plans will be developed during the summer 2017 for implementation in future years of the MTFP. It is considered that the annual and medium term budgets are robust, but given the above risk assessment the achievement of the estimated Medium Term Financial Plan will not be easy to deliver, and will require some tough decisions to be made by Members.
- 6.8 Given the Council's excellent track record for budget management, careful budget monitoring and financial planning, which will continue, the structural deficit that remains in the Medium Term Financial Plan is considered to still be at a manageable level, although it should be expected that there may need to be some contraction of service delivery/performance given the scale of the ongoing reductions required.

7. Risk Assessment

Gedling needs to review its Financial Strategy and Medium Term Financial Plan annually to ensure its projected expenditure is balanced with the income it receives, and where it doesn't, or is projected not to, corrective action needs to be identified and put in hand.

Risk	Impact	Comments
Time	Medium	<p>Gedling has always aimed to be one year ahead of the budget reductions it needs to make, so that any changes required are as trouble free as possible.</p> <p>There are some pointers to finding the shortfall projected for 2018/19 and future years. These need to be worked on in the next 18 months to continue the smooth transition that Members and officers have been successful in delivering over the last few years.</p>
Viability	Medium	<p>The potential loss of New Homes Bonus has dealt a significant blow to the finances of the Council, however, it has enough reserves to cushion the impact over the next two years whilst attention is turned to finding the new efficiency target of £1.9m.</p>
Finance	Medium	<p>Council tax now needs to consistently increase year on year to offset the momentum of continual reductions in available budgets.</p>
Profile	High	<p>Gedling is facing a cut in government grant of £3.5m over the spending review period 2016/17 to 2019/20 and to date has identified savings of £1.6m (net) to bridge the gap, leaving further reductions of £1.9m to be identified over the life of this MTFP.</p>
Adaptability	High	<p>Working with partners will be essential to successfully respond to the challenges that face the Council. The joint work with the DWP points to a new way forward and Gedling needs to work more closely with the Police and the local Clinical Commissioning Group to work laterally across the sector.</p>

8. **Equality Issues**

The Council has a duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between protected groups (such as disabled people or ethnic minority groups) when considering proposed new or changing policies, services or functions, including decisions on funding for services.

Service Managers have been asked to assess the equalities impact of the proposals for service changes contained in this report. It is not anticipated that there will be any significant cumulative impact on any protected group arising from these budget proposals.

Where appropriate, individual Equality Impact Assessments will be carried out in relation to specific proposals identified in this report. Any equality issues arising will be brought to the attention of the decision maker when the decisions on those proposals are made.

9. **Key Decision Thresholds**

In accordance with the Council's Constitution, full Council will in each year determine the financial thresholds for each service or function above which expenditure or saving is regarded to be significant and should therefore be regarded as a Key Decision. Traditionally the threshold has operated at above £0.5m and it is proposed that this value be continued for 2017/18.

Alternative Options

Cabinet could consider recommending an alternative budget and service plan. Recommending an alternative budget may alter the level of recommended Council Tax for 2017/18. If Cabinet chose not to recommend a budget to Council this would be in contravention of the Council's Constitution and would not be in compliance with the Local Government Finance Act 1992.

Financial Implications

As detailed in the report.

Appendices

Appendix 1 – Gedling Plan 2016-19

Appendix 2 - Local Government Association Settlement Briefing

Appendix 3 – Detailed Gedling Plan Portfolio Budgets 2017/18

Appendix 4 – Major Price Indices – Medium Term Financial Plan

Appendix 5 - Budget Reduction Proposals 2017/18 to 2021/22

Appendix 6 – Movement on Earmarked Reserves

Appendix 7 – Council Tax Collection Fund Estimate 2017/18

Background Papers

Central Government Report – Local Government Finance Settlement in England 2017/18

Treasury Strategy 2017/18

Capital Programme Report 2017/18 to 2019/20

Recommendation(s)

Cabinet is asked to approve:

- i. a 3% income inflation increase for the individual portfolios as shown in the table at paragraph 3.6.5;

Cabinet is asked to recommend to Council on 1 March 2017:

- ii. that the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2017/18;
- iii. a Council Tax increase of £5 which balances the financing of a Net Council Tax Requirement of £5,738,900 in 2017/18;
- iv. that the Gedling Plan and the detailed budget for 2017/18, as detailed in Appendices 1 and 3 be approved;
- v. the future cumulative efficiency target of £1.9m with the following annual ongoing targets: 2018/19 £500,000; 2019/20 £700,000; 2020/21 £700,000; and to instruct officers to develop delivery plans for the 2018/19 budget process.

Reasons for Recommendations

To obtain approval of the Gedling Plan 2016-19 for referral to Council