

THE EXECUTIVE'S FINAL BUDGET PROPOSALS 2014/15

The Executive's final budget proposals are contained in:

- Table A - Medium Term Revenue Budget Strategy;
- Table B - Revenue Budget 2014/15;
- Table C - Capital Budget 2014/15;
- Table Ch - Prudential and Treasury Indicators.

The following details follow the requirements of the Budget Procedure Rules:-

(i) **If the Council has adopted a budget strategy, whether the proposed annual budget conforms to that strategy, and details of any departures**

The proposed budget has been developed within the Executive's Budget Statement and Strategy presented at Executive meeting 16 December 2013. This is now updated for the Medium Term Revenue Budget Strategy at Table A.

(ii) **The proposed Council Tax for the year**

The proposed Council Tax is a figure of £981.41 at Band D, an increase of 4.5% on 2013/14. The Police and Crime Commissioner North Wales has agreed an increase of 2.0% in its precept. The precept of the Town or Community Council brings the total increase to taxpayers to 4.8%.

(iii) **Any proposed transfers to or from financial reserves**

There are no proposals to make contributions to, or use, Council fund balances in 2014/15.

(iv) **A summary of proposed expenditure by service**

This is given in Table B for the revenue budget and Table C for the capital budget.

(v) **Details of significant changes to service delivery implied by the budget**

The budget includes service savings of £6.263m. Given the scale of savings required in 2014/15 and beyond, there will be an expectation across a number of services that the way they are delivered will change.

Resources for schools have been protected in line with Welsh Government expectations.

During 2014/15, to deliver efficiency savings for years 2015/16, 2016/17 and 2017/18, all services will undergo a service redesign and reconfiguration, to a greater or lesser extent, which will result in a change to the way services are delivered. This will potentially have an impact on both current and new service users.

The Council has introduced three Programme Boards and an Efficiency Strategy that will contribute to the delivery of corporate efficiency targets once plans to meet the forecast budget gap have been agreed with the Executive. The introduction of new systems and the use of better technology and assets, should also assist in this process during 2014/15.

(vi) The extent to which the proposals take account of reports of Committees

The final proposals were drawn up after consultation with Scrutiny Committees and take account of their response.

(vii) The extent to which the proposals take account of any consultation that has been undertaken

The proposals follow consultation on the budget proposals as follows:-

- The Executive throughout the budget process;
- The Executive meeting in September 2013;
- Elected Members, through workshop sessions in November 2013;
- Scrutiny Committees at their January 2014 meetings;
- Schools Forum on 27 January 2014;
- Town and Community Councils - 23 January 2014.

(viii) Details of any other significant differences between the initial and final proposals

The main differences between initial and final proposals are:-

1	A reduction in the amount provided to protect School budgets to £172,000
2	Deletion of the proposed severance contingency of £1m from the 2014/15 budget
3	A reduction of £250,000 in the contingency for demographic change
4	An increase of £181,000 in funding received from the Welsh Government through the Outcome Agreement Grant
5	An increase in the budget of £567,000 to fund welfare reform, including increases to the cost of the Council Tax Reduction Scheme to the Council
6	Council tax to increase by 4.5%, down from 5%

(ix) Proposals for borrowing

The proposals for borrowing and investment are contained in the separate report by the Head of Function (Resources) and Prudential Indicators as in Table Ch.

(x) Any other statutory matters to be decided by the full Council

See the report of the Head of Function (Resources).

TABLE A**MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2017/18**

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Previous Year Budget	129,253	126,670	126,280	126,221
Schools Inflation and Protection	172	172	172	172
Cost Increases	2,866	2,432	2,380	2,325
Demographic Changes	250	500	500	500
Capital financing and Interest	598	171	171	171
Job Evaluation	1,300	700	700	700
Severance Contingency	(1,000)	1,000	0	0
Budget Re-alignment	(975)	0	0	0
Identified Pressures	567	700	700	700
General Contingency	(57)	0	0	0
Other growth	459	500	500	500
Savings	(6,263)	0	0	0
Contribution to Reserves	(500)	0	0	0
Funding Gap	0	(6,565)	(5,182)	(5,036)
	126,670	126,280	126,221	126,253
Funded by				
Welsh Government	97,158	94,714	93,267	91,849
Council Tax	29,512	30,840	32,228	33,678
	126,670	126,280	126,221	126,253

TABLE B

ISLE OF ANGLESEY COUNTY COUNCIL
REVENUE BUDGET 2014/15
EXECUTIVE'S FINAL PROPOSALS

	Proposed Budget 2014/15
-	
	£'000
Directorate	
Lifelong Learning (including schools)	47,814
Community Services	27,508
Sustainable Development	19,883
Deputy Chief Executive	12,998
Corporate & Democratic Core	1,579
Total	109,782
Corporate Finance	
Discretionary Rate Relief	50
Levies	3,219
Capital Financing & Interest	7,783
	11,052
Contingencies b/f from 2013/14	
Improvement Contingency	190
Cost of Change Contingency	41
Salary & Grading Contingency	450
	681
Sub Total Standstill Budget	121,515
Pressures:	
- Demographic Change	250
- Council Tax Reduction Scheme	490
- Welfare Reform	77
- Schools Protection	172
Job Evaluation Contingency	1,300
Corporate Contingency for Inflation	2,866
	5,155
Total Budget	126,670
Funded by:	
Aggregate External Funding from the Welsh Government	96,432
Council Tax	29,512
Outcome Agreement Grant	726
Total Funding	126,670

TABL C/TABLE C
Cyllideb Cyfalaf 2014-15 / Capital Budget 2014/15
Cynigion Drafft y Pwyllgor Gwaith / Executive's Draft Proposals

Dyraniadau dangosol yw'r eitemau mewn italeg

Items in italics are indicative allocations

	Llithro Slippage 2013/14 £'000	Cyllideb Budget 2014/15 £'000	Ymrwymiadau Commitments 2015/16 £'000	Ymrwymiadau Commitments 2016/17 £'000	
GWASANAETH					SERVICE
Addysg		1,000			Education
Ysgolion – Adnewyddu					Schools - Refurbishment
Arian wrth gefn Ysgolion 21ain Ganrif	850				21 st Century Schools Contingency
Dechrau'n Deg Ehangu Rhaglen Gyfalaf		720			Flying Start Capital Expansion Programme
Is-gyfanswm		1,720	0	0	Sub-Total
Cynllunio a Gwarchod y Cyhoedd					Planning & Public Protection
Adfywio Ffisegol (3 Tref)	1,500				Physical Regeneration (3 Towns)
Is-gyfanswm		0	0	0	Sub-Total
Rheoli Gwastraff					Waste Management
Compownd Storio Cynhwyswyr Gwastraff – Penhesgyn*		125			Waste Containers Storage Compound - Penhesgyn*
Is-gyfanswm		125	0	0	Sub-Total
Datblygu Economaidd					Economic Development
Cyllid Cyfatebol Cynllun Cyfenter	300	130			Matchfunding Cyfenter Scheme
Grantiau Cronfa Buddsoddi Lleol		25			Local Investment Fund Grants
Cynlluniau Estyniad Canolfan Fusnes Môn*					Anglesey Business Centre Extension Plans*
Isadeiledd Strategol ar Ynys Môn - Safleoedd ac Adeiladau	150	1,666			Strategic Infrastructure on Anglesey - Sites and Premises
Is-gyfanswm		1,821	0	0	Sub-Total
Priffyrdd a Thrafnidiaeth					Highways and Transportation
Ffyrdd		200			Carriageways
Meysydd Parcio		50			Car Parks
Strwythurau		180			Structures
Goleuadau Stryd		20			Street Lighting
Lonydd Ystadau a Troedffyrdd		50			Estate Roads and Footways
Menter Benthycia Llywodraeth Leol		1,800			Local Government Borrowing Initiative
Cerbydau	100	150			Vehicles
Is-gyfanswm		2,450	0	0	Sub-Total
Eiddo					Property
Mynediad i'r Anabl i Adeiladau Cyhoeddus		200			Disabled Access to Public Buildings
Rheoli Risg Adeiladau a Chynnal Strwythurol		450			Buildings Risk Management & Structural Maintenance
Estyniad i Fynwent Llanddona		120			Extension to Llanddona Cemetery
Prosiect Amgylchedd Arfordirol Ynys Môn* Morwrol – Economaidd		495	100		Anglesey Coastal Environment Project * Maritime - Economic
Estyniad i Fynwent Llanbedrgoch	110				Llanbedrgoch Cemetery Extension
Mân-ddaliadau (rhaglen wedi ei hamgau)		250			<i>Smallholdings (Ringfenced programme)</i>
Is-gyfanswm		1,515	100	0	Sub-Total
TGCh					ICT
Strategaeth TGCh**	480	150			ICT Strategy**
Is-gyfanswm		150	0	0	Sub-Total
I'w Ddyrannu ***					To be allocated ***
Cyllid Cyfatebol/Adfywio	470				Match Funding / Regeneration
Cronfa wrth gefn – Gwelliannau Hamdden	196				Leisure Improvements Reserve
Astudiaethau Dichonolrwydd – Cyffredinol	460				Feasibility Studies - General
Rhaglen Rhesymoli Asedau	2,100				Asset Rationalisation Programme
Arian wrth gefn – Gwario i Arbed		850			Spend to Save Contingency
Heb ei ddyrannu	340				Unallocated
Is-gyfanswm		850	0	0	Sub-Total
Cyfanswm – Cyffredinol		8,631	100	0	Total - General

Dyraniadau dangosol yw'r eitemau mewn italeg

	Llithro Slippage 2013/14 £'000	Cyllideb Budget 2014/15 £'000	Ymrwymadau Commitments 2015/16 £'000	Ymrwymadau Commitments 2016/17 £'000	<i>Items in italics are indicative allocations</i>
Cyllid Cyfalaf Cyffredinol		2,629			General Capital Funding
Benthyca di-gefnogaeth		1,000			Unsupported Borrowing
Menter Benthyca Llywodraeth Leol - Benthyca Pwylllog		1,800			Local Government Borrowing Initiative Prudential Borrowing
Grantiau Ewrop		2,025	100		European Grants
Grantiau Llywodraeth Cymru		720			Welsh Government Grants
Derbyniadau Cyfalaf		250			Capital Receipts
Refeniw/Cronfeydd wrth Gefn		207			Revenue / Reserves
Cyfanswm Adnoddau Cyffredinol		8,631	100	0	Total General Resources
Tai					Housing
Tai Sector Gyhoeddus :					Public Sector Housing :
Rhaglen Gyfalaf y Gronfa Refeniw Tai		5,734	4,800	4,900	Housing Revenue Account Capital Programme
Cynlluniau Tai Sector Preifat:					Private Sector Housing Schemes :
Grantiau Tai Sector Preifat a Cynlluniau Benthyciadau	600	900			Private Sector Housing Grants and Loans Schemes
Cynlluniau Tai Fforddiadwy	450				Affordable Housing Schemes
Cyfanswm Tai		6,634	4,800	4,900	Total Housing
Adnoddau Tai					Housing Resources
Cyllid Cyfalaf Cyffredinol		900			General Capital Funding
Lwfans Trwsio Sylweddol		2,600	2,600	2,600	Major Repairs Allowance
Derbyniadau Cyfalaf		30	78	80	Capital Receipts
Refeniw/Balansau		3,104	2,122	2,220	Revenue / Balances
Cyfanswm Adnoddau Tai		6,634	4,800	4,900	Total Housing Resources
CYFANSWM CYLLIDEB		15,265	4,900	4,900	TOTAL BUDGET

* Cynllun Gwario i Arbed

** Mae'r llithriant o 2012-13 yn cynrychioli'r cyfuno o'r holl gyllidebau TGCh/Offer sydd heb eu defnyddio

*** Bydd yr arian wrth gefn heb eu dyrannu yn amodol ar adolygiad ynglyn â fforddiadwyiaeth parhaus a defnydd posibl i gyllido cynlluniau cyfalaf y dyfodol, yn amodol ar gymeradwyaeth fel yn briodol.

* Spend to save scheme

** The slippage from 2012/13 represents the consolidation of all the unused ICT/equipment budgets

*** The unallocated contingencies will be subject to review as to ongoing affordability and potential usage to fund future capital plans, subject to approval as appropriate

PRUDENTIAL & TREASURY INDICATORS						
No. Indicator						
Affordability		2012/13 out-turn	2013/14 estimate	2014/15 proposal	2015/16 proposal	2016/17 proposal
1,2	Estimates of [or actual] ratio of financing costs to net revenue stream:					
	Council Fund	5.99%	5.45%	5.88%	6.34%	6.25%
	Housing Revenue Account	16.19%	18.55%	17.13%	15.75%	15.06%
	Total	6.96%	6.63%	6.95%	7.29%	7.15%
3	Estimates of incremental impact of capital investment decisions on the <i>for the Band D Council Tax</i>			£2.95	£12.99	£18.13
4	Estimates of incremental impact of capital investment decisions on housing <i>on average weekly rents</i>			£15.70	£10.82	£11.30
Prudence						
5	Gross debt and the Capital Financing Requirement (CFR)	□	□	□	□	□
	<i>Is the gross external debt < the CFR for the preceding year plus the estimates of any additional CFR for the current and the next two financial years?</i>					
Capital Expenditure		£000	£000	£000	£000	£000
6,7	Estimates of [or actual] capital expenditure					
	Council Fund	16,677	20,548	18,100	3,500	3,500
	Housing Revenue Account	8,751	3,000	5,700	4,800	4,900
	Total	25,428	23,548	23,800	8,300	8,400
8,9	Estimates of [or actual] Capital Financing Requirement					
	Council Fund	81,347	86,299	92,400	90,800	89,300
	Housing Revenue Account	25,061	24,044	23,000	22,000	21,000
	Total	106,408	110,343	115,400	112,800	110,300
External Debt		£000	£000	£000	£000	£000
10	Authorised Limit : Borrowing	123,000	122,000	125,000	123,000	120,000
	: Other long term liabilities	2,000	2,000	2,000	2,000	2,000
	: Total	125,000	124,000	127,000	125,000	122,000
11	Operational Boundary : Borrowing	118,000	117,000	120,000	117,000	115,000
	: Other long term liabilities	2,000	2,000	2,000	2,000	2,000

PRUDENTIAL & TREASURY INDICATORS						
No.	Indicator					
	: Total	120,000	119,000	122,000	119,000	117,000
12	Actual External Debt	96,097				
Treasury Management		2012/13 out-turn	2013/14 estimate	2014/15 proposal	2015/16 proposal	2016/17 proposal
13	The Local Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services			□	□	□
		£000	£000	£000	£000	£000
14	Gross and net debt	100%	100%	100%	100%	100%
	<i>The upper limit on the net debt as a proportion of gross debt</i>					
15	The upper limit on fixed rate exposures: (net principal outstanding)	105,000	105,000	125,000	123,000	120,000
16	The upper limit on variable rate exposures: (net principal outstanding)	20,000	20,000	20,000	20,000	20,000
17	The limit for total principal sums invested for periods longer than 364 days (any long term investments carried forward from previous years will be included in each year's limit)	15,000	15,000	15,000	15,000	15,000
				2014/15 upper limit	2014/15 lower limit	
18	The upper and lower limits for the maturity structure of fixed rate borrowing					
	• under 12 months			20%	0%	
	• 12 months and within 24 months			20%	0%	
	• 24 months and within 5 years			50%	0%	
	• 5 years and within 10 years			75%	0%	
	• 10 years and above			100%	0%	
				no change	no change	