9. BUDGET 2015/16 (A137/PN)

Purpose of the Report

1. This report presents the formal budget approval for 2015/16 following approval of the proposals presented to Members in the 5th December report by the Director of Corporate Resources.

Recommendations

2. **That:**

   1. **the base budget for the 2015/16 financial year shown in Appendix 1 and 2 be approved.**

   2. **the financial position of the Authority in respect of planning for the following years be noted.**

How does this Contribute to our Policies and legal obligations?

3. The Authority is required to set a balanced revenue budget for the 2015/16 financial year. This year will be the twelfth year that National Park Grant has been funded directly at the 100% level from central government, in an extension of the original three year trial. In previous years, 25% of the Grant was financed from a levy on constituent councils, although the funding was still provided centrally by the Department of Environment, Food and Rural Affairs (Defra) to Local Authorities. The Authority's levying powers remain and are in theory capable of being used in the future, although in the past they have always been used by way of joint agreement between Defra and the Department of Communities and Local Government, with a corresponding mutual funding arrangement so that the cost of National Parks was not borne by local taxpayers. It is understood that retaining levying powers is an important consideration in terms of the Authority's ability to recover VAT as a Section 33 body, within the same VAT regime as other Local Authorities.

Background

4. Because of the electoral cycle the 2015-16 Budget year exists as a single year bridge between the old Spending Review of 2010 (spanning the four years between 2011-12 and 2014-15) and the next Spending Review of 2015 which is likely to span the three years 2016-17 to 2018-19 or, based on the Autumn Statement, more likely the four years to 2019-20.

The 2015/16 Settlement

5. The provisional 2015-16 National Park Grant was outlined in a letter from Defra on the 20th December 2013 as £6,257,122, representing a 1.74% reduction from the 2014/15 settlement figure, which for National Parks was an improvement from the 8.51% reduction confirmed the previous year.

   Details of the letter were outlined in the December report; the main caution being that the figures could be revised, although National Parks were advised to plan on the preliminary figures unless advised otherwise. In April 2014 Defra communicated with all Defra bodies asking them not to commit their 2014-15 resource beyond 98.1% of the figure previously announced. In October 2014 Defra withdrew this requirement and confirmed National Parks would receive 100% of the 2014-15 settlement figure.

   On the publication date of this report confirmation of the 2015-16 has not yet been received, which is the latest in recent memory a National Park Grant figure for the year ahead has not been announced formally (the announcement is usually made late

December). These delays and communications illustrate the difficulties our parent body is having coping with its recent parliamentary estimates.

Working on the previously announced figures however the National Park Grant is estimated to be:-

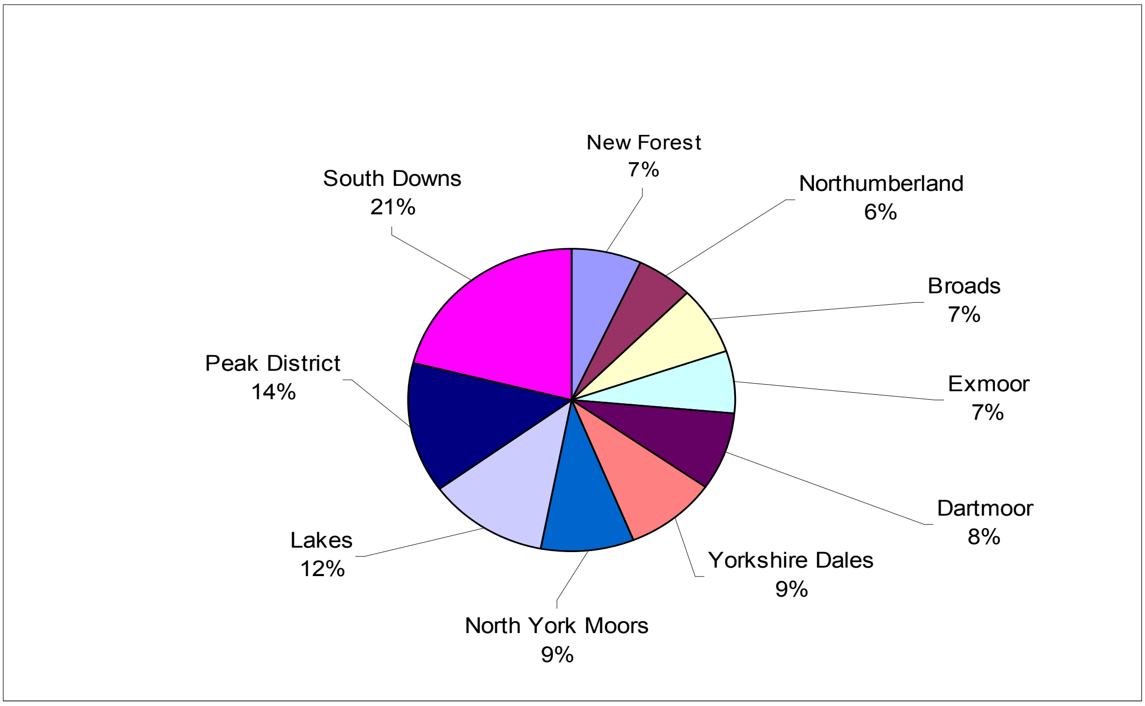
	2014-15	2015-16	Decrease	
	£	£	%	£
National Park Grant	6,367,867	**6,257,122**	-1.74	-110,745

This is the basis on which the budget has been set. If a different figure is announced, Management Team will consider the implications and bring a revised report to the next available Authority meeting.

6. There are no figures for National Park Grant available beyond 2015/16, although the Autumn Statement has set out the context for overall public expenditure under the current government for the next four years up to 2018-19, stating that "the government's fiscal assumption is that Total Managed Expenditure (TME) in 2016/17 and 2017/18 will fall in real terms at the same rate as between 2010-11 and 2014-15, with an assumption that TME will remain flat in real terms in 2018-19 and 2019-20". Amongst government departments Defra has not been spared from the severest cuts, and there is no suggestion that this will change for the next Spending Review period.

In real terms, after taking account of inflation since 2010 and future forecasts, the settlement in the final year represents approximately a £3.5m cut (36.5%) from its 2010/11 level.

7. The % distribution of £44.7m of National Park Grant between English Parks remains the same:-



Financial Planning for 2015/16: Setting a Balanced Budget – Revenue

8. Members approved proposals for reductions and income in Appendix 1 of the December report, and that report explained the fact that 2015/16 will be a transition year. The proposals have all been built into the budget for approval at this meeting. Detailed budget planning (e.g. on the actual staff budget) has also helped improve the initial estimates

slightly, and the opportunity has been used to revise downwards the Interest Receipts assumption by £20,000 from its previous level. This reflects the fact that interest rates are not expected to increase as per previous expectations, and a lower estimate is considered to be necessary to prevent a shortfall. Overall, with this adjustment and all the December Appendix 1 proposals incorporated, there is a very small surplus of £5,000 for the year, as shown in the table below. :-

		2014/15 £,000	**2015/16 £,000**
A	Baseline Budget	7,217	6,674
B	*Savings achieved /proposed*	*(577)*	*(342)*
C	*Contingency – high risk areas*	*55*	
D	*Approved new allocation*		*42*
E	Revised Baseline Budget	6,695	6,374
F	*Financed by:-*	*-8.51%*	*-1.74%*
G	National Park Grant	(6,368)	(6,257)
H	Interest receipts	(50)	(30)
I	Reserves	(214)	(92)
J	**Structural budget deficit (surplus)**	**63**	**(5)**
K	(Contingency) b/f	(367)	(304)
L	Cumulative (Contingency) c/f	(304)	(309)

These figures are based on the following assumptions:-

a) National Park Grant remains as allocated in the Defra letter.
b) Normal incremental progression is assumed for staff and incorporates the agreed annual pay award of 2.2% up to 31/03/2016.
c) Future employer superannuation contributions are based on the 2013 actuarial valuation (17.82% of gross pay)
d) Interest rate assumptions are assumed to remain at low levels of 0.5%.

The cash contingency was partly used in 2014-15 to underwrite the deficit of £63,000 in the approved 2014/15 budget. The proposals in December have allowed for the remaining cash contingency to be carried forward to help meet the medium term financial challenge in the next Spending Review period, and to underwrite any new income risks in accordance with the principles presented in December. The approved Budget for 2015/16, although much diminished, is therefore structurally balanced and is not dependent on one-off resources.

If the Spending Review produces further National Park Grant resource reductions on a similar scale to the Spending Review of 2010 the December report acknowledged that the Authority will need to operate significantly differently as a body, and the approach to this medium term financial planning was outlined in that report. A year on year reduction of 5% would be approximately £500,000 p.a. and lead to resource reductions of up to £1.5m by March 2019.

There is one known cost pressure which will affect the baseline position for 2016-17, which is that employers with contracted-out pension schemes from 2016/17 will face significant increases in Employers' National Insurance contributions as the government has phased out contracted-out rebates because of revisions to the State Pension. The rebates are currently approximately 3.4% of an employee's gross pay above £8,000 p.a. The financial consequence of this on the current staffing structure is an extra £115,000 cost per annum, which represent an immediate pressure on the 2016/17 budget.

The table illustrates the cumulative impact of these reductions on National Park finances over the 9 year period and the possible level of further baseline reductions required:-

£	*NPG*	**Achieved**	**Proposed**	**Future**
2010/11	*8,098,814*	270,000		
2011/12		446,000		
2012/13		386,000		
2013/14		357,000		
2014/15		577,000		
2015/16	*6,257,122*		300,000	
2016/17				*500,000?*
2017/18				*500,000?*
2018/19				*500,000?*
Total		**2,036,000**	**300,000**	***1,500,000?***

9. In accordance with Item 9 of the December Authority report "National Park Authority Property Portfolio", one of the specific actions for the Integrated Property Board was to "adopt a new financial model for Authority assets which provides for more integrated budget management within single sites". As a result of this budgets for the Warslow Estate, the North Lees Estate, and The Trails have been restructured. All relevant income and costs borne by the estate are now shown together as one approved budget for the property, under the control of the relevant Property Manager. The figures in Appendix 1, Column Q, Net Budget, therefore reflect much more accurately the cost of each Estate, before support service overheads are allocated. Members will need to bear in mind that the figures for the properties in previous years' budgets will not be directly comparable as they are compiled on a different basis. The new approach is consistent with the financial objective for properties to achieve full cost recovery, where possible, as it helps to provide the initial base measurement for the direct costs and income of each of our principal properties. Further work to help inform the full cost of the properties is:-

- the final development of a recharge model which will estimate as accurately as possible the support service cost (e.g. HR, finance, property support unit, Legal Services etc) of supporting these properties, which is an essential ingredient in understanding the full cost position
- any minor adjustments inwards or outwards of costs which should be properly attributed to the property which remain in other budgets, or which need to be recharged to other budgets

These costs will be added to or subtracted from the figure in Column Q to show the full cost of the property. From this figure springs consideration in future budget planning as to the extent to which the current budget achieves, or falls short, of the full cost objective.

The principal changes are to the following properties:-

- North Lees Estate: now incorporates the campsite, car parks (including Surprise View as agreed by ARP committee), toilets, concessions, the Estate Ranger's vehicle, and the revised working arrangements for the Estate Ranger.
- Warslow Moors Estate: now re-incorporates vehicle costs
- Trails: now split into the four Trails, with their associated car parks, toilets, and concessions.

On this basis Appendix 1 shows, assuming the budgets are met, that the North Lees estate makes a contribution of £8,000 to support service costs, whilst the Warslow Estate makes a contribution of £17,000. The 4 Trails together cost £78,000.

10. The main assumptions underlying the budget in Appendix 1 are outlined below:-

The Authority depends on some £1.9m of externally generated income (fees and charges) to balance its revenue budget, principally to maintain its Recreation Management and Promoting Understanding outcomes, but increasingly also to sustain its core services. Services with income targets are expected to increase targets routinely to cope with pay and non-pay inflationary increases in order to maintain margins and stay within established financial objectives, as well as accommodate additional targets approved as part of coping with reduced grant levels. The following considerations were made in reviewing the principal areas of income risk:-

- Learning Team. The income targets for the Learning & Discovery team are set to achieve a net budget of £147,300 p.a. Moving to a new base for the team has allowed for savings of £5,800 p.a.

- Visitor Centres. The budget is unchanged for 2015/16. The service has found savings and additional income totalling £130,000 over the last four years.

- Cycle Hire. The financial objective remains for the service to make a surplus above its direct costs, thus making a contribution to support service costs, of £29,000. The further work on support service recharges will lead to an understanding of the extent to which full cost of the service is achieved. Members of the ARP committee approved an action plan to achieve the current budget in November 2014.

- Car Park & Concessions. New parking prices have been approved effective from 1st January 2014 and therefore they are making a higher contribution to the cost of maintaining car parks and associated facilities than previously. The estimated income for 2015/16 has been increased by £60,000 as a result.

- Planning Fees. In 2014/15 concerns over future levels of application fees led to a reduction in the estimate by £20,000, offset fully however by the introduction of charging for pre-planning advice, as approved by Members, such that the overall recovery of charges for the service remains the same. A further review of charging for pre-application advice will be carried out and the level of pre-planning charges is estimated to increase by £25,000 to £45,000. The budget estimate for planning applications stays the same as 2014/15 at £219,000, but may be reviewed in the budget planning process if concerns about future levels of fees are not experienced in practice.

- Footpaths team. The Footpaths team restructured in 2011/12 and reduced its net costs from £37,600 to £15,000 in 2013/14. In view of the team's success in achieving this for 2015/16 the budget has been set to recover in full its direct costs, with the team tasked with finding an additional £15,000 income. There is some risk mitigation in the ability to flex labour costs, because the team is carrying a vacancy and temporary voluntary reductions in working hours.

- Volunteers team. The Countryside Volunteers team retains its income target of £22,000 (its third year of this level of target).

- Conservation Properties The 2015/16 budget for Eastern Moors has been increased by £10,000 to reflect the loss of rental income from Warren Lodge, following the decision to sell the property, and also reduced by £23,000 to reflect the reduction in PDNPA contribution to the Estate, as per the original lease. The North Lees budget was reduced by £35,000 in the previous year and this target remains built into the budget. The changes in the way the budget is compiled for the estates is covered in paragraph 9 above.

- Moors for the Future The Authority's allocation of £89,000 does not meet the full cost of the core staff within the partnership and the business plan is reliant upon other external contracts and agreements for funding the core team and the team's activities into the future (as reported to January Audit Resources and Peformance Committee). The Authority's allocation represents approximately 33% of the running costs of the team, and the cash sum allocated therefore forms the basis of the financial objective for the team under the current business plan. The significant expenditure shown under the Moors for the Future projects heading reflects the approximate total value of contracts reported in the Operational Plan seen by Members in the January Audit Resources and Performance report. There is an additional allocation of £5,000 p.a. which represents the Authority's small cash contribution to the Moorlife 2020 proposal.

- Income levels from trading and fees are monitored by the Budget Monitoring group through the year. The development of further income targets also forms a significant part of the proposals required to achieve future savings, led by the Assistant Director of Field & Enterprise, Management Team, and developed with Members.

11.

(a) A small non-pay inflation provision of £15,000 is proposed. This allocation is a very small sum representing 0.5% of the Authority's overall non-pay expenditure and is therefore precisely targeted largely at unavoidable expenditure increases (e.g. utilities bills, audit fees, licences etc) – it does not offer protection from the effects of inflation for the majority of budgets.

(b) In addition to the amount paid to an employee, approximately 26% of salary on average is paid as an additional cost to support employer payments to the pension fund (17.82%), and also for employers' statutory National Insurance contributions (varies around 5-8%). Derbyshire County Council Pension fund requires the Authority to pay employers' contributions towards employee pensions of 13% of current employees' total superannuable pay, plus £210,000 p.a. which represents a deficit recovery sum determined by the actuary to ensure the scheme is able to meet its future pension payments to staff. In order to achieve the latter service budgets are charged a combined rate of 17.82% of their employees' gross costs. Following the 2013 actuarial revaluation there are no superannuation increases expected in the next two years. National Insurance payments are based on earnings thresholds and are revised annually by government. At the time of completing staff budgets, unusually, no information on next years' rates was published , so precise thresholds have not been able to be calculated; therefore last years' thresholds have been used. From 2016/17 there will be a significant increase of £115,000 in employers' National Insurance contributions because of the removal of rebates for contracted-out employees, but this does not affect the 2015-16 year.

(c) In respect of estimated pay awards, and increments, the 2.2% two year pay award up to March 2016 has been incorporated into budgets, as well as incremental progressions due to staff.

(d) The dramatic decline in interest rates has removed approximately £230,000 from the Authority's annual finances. For 2015/16 a revised estimate of £30,000 is proposed following low overall Local Authority returns in the investments market, and continuing low interest rates.

(e) Members have in the past been able to approve one-off allocations to a series of unfunded costs which could not be met from baseline resources: totalling £442,000 in 2010/11, £441,000 in 2011/12, and £186,000 in 2012/13. In 2013-14 £113,000 was agreed to be allocated to develop capacity around asset management plans and commercialisation and giving; adding to property related specific reserves, and financing a proposal to support central National Parks England sponsorship initiatives. These sums arose from cautious assumptions allowing the release of contingencies, over achievement of income targets, and vacancy savings during the transition to a smaller baseline resource. Allocation of these sums was possible as they are temporary allocations and do not affect the basic requirement to achieve significant reductions in our permanent baseline.

(f) Any temporary sums arising, above required contingencies, will be brought to Members for decisions at midyear and outturn stages in a similar way, assuming they are available. This is consistent with the message from Defra to allow for flexibilities in spending plans to deal with contingencies. It is considered necessary for any surplus cash resources to be safeguarded temporarily to allow contingency and successful transition planning for the further resource reductions still needed. The consequence will be slightly higher reserve levels temporarily supporting deficits in individual budget years until structural balance can be confidently achieved in medium term plans (as shown in the Table in Paragraph 8 above.)

Financial Planning for 2015/16: Capital

12. The Chief Finance Officer's report on application of the Prudential Code for Capital Finance will be reported to the Authority in March, and his day to day responsibility for Treasury Mgt is set within the constraints of the Treasury Management Policy, which forms part of the same report.

13. In October 2011 the Authority approved a Capital Strategy paper covering key principles and working assumptions over the medium term period; principles and working assumptions which still guide capital investment decisions. Members agreed capital expenditure from the Capital Fund of £463,000 for minor / urgent works and for environmental improvements. The minor works have been substantially completed, with the environmental improvements in hand and approved at individual project level. Members also agreed the principle that there should be an annual revenue budget allocation of £72,000 supporting, as first priority, the capital needs for Information and Communications Technology. In addition, Members approved capital expenditure in Minute 27/12 on 30th March 2012 for the purchase of the Brosterfield site.

14. In the same report Members approved the delegation of decisions on borrowing for capital expenditure under £150,000 to Resource Management Team. A summary of these decisions will be included in the Prudential Code report in March. In the current year, Resource Management Team approved a £147,000 re-structuring of Aldern House in order to maximise office space and offer vacant space to suitable tenants in order to recover some of the costs of spare capacity in the HQ building; Members approved use of the capital fund to finance this project in September 2014. Members also approved sale of Warren Lodge and the Losehill Hall bungalow, as surplus assets, at the same meeting. At the May 2014 Authority meeting Members approved a revised asset management plan and action plan, which will help to guide capital investment decisions; together with proposals for possible Trails' projects at the July meeting.

15. The December report explained that further work will be carried out this year to secure capital receipts for assets approved for disposal, and obtain sufficient evaluation and feasibility information to inform which capital investment projects, using the limited resources available, might secure the strongest contributions to revenue income and the new corporate strategy.

The availability of finance will focus on

a) Capital receipts likely to be received in the medium term
b) The potential for grant aid, or giving
c) The availability of borrowing within the prudential code limit limit

Use of the Authority's capital resources will also need to take account of any significant Health & Safety and structural repairs to assets which would qualify as capital expenditure. The current estimate is that this could be in the region of up to £850,000 (mainly trails structures and Brunts Barn, as reported in the original Capital Strategy in October 2011, Appendix 2). The outcome of these deliberations will be subject to future Members' decisions.

Following accounting convention and the introduction of the prudential code for capital finance all capital expenditure is separated from the revenue budget in Appendix 1, and is shown in the capital budget in Appendix 2. The only capital items shown in the Revenue Budget are the debt charges and revenue financing of capital expenditure.

Financial Planning for 2015/16 – Financial Position - Reserves

16. Clause 25 of Part 2 of the Local Government Act 2003 requires the Chief Finance Officer to report to Members, when calculating the net budget requirement, on the level and adequacy of cash reserves. The full level of reserves is reported to Members in the outturn report in June and the financial accounts to the same meeting. The level of cash backed reserves are carefully managed and the situation for 2015/16 is envisaged to be:-

£,000	**Actuals at 31/03/14**	**Estimates at 31/03/16**
General Reserve	363	350
Minerals & Legal Reserve	353	150
Restructuring Reserve	155	50
Capital Reserve	426	952
Matched Funding Reserve	600	150
Carry forward Surplus	367	309
Slippage	805	400
Specific Reserves	428	250
Total	**3,497**	**2,611**

17. The General Reserve has traditionally been calculated on the basis of a minimum recommended level which is 2% of net expenditure (c. £125,000), with a trading contingency of £50,000. The minimum level of reserve is considered to be essential to help mitigate and manage any overspending risks in what is a complex mix of activities within the revenue budget; and its maintenance at such a low level is only justified because of the availability of contingencies, specific reserves, and the carry forward of surpluses elsewhere in the revenue budget. The level of the reserve will need to be reviewed annually to take account of the availability of other reserves, the degree of income risk, the degree of risk underlying budget assumptions over savings, and the availability of other contingencies. At this stage the level is considered to be sufficient and a level of £350,000 is preferred based on current uncertainties.

18. The Minerals & Legal Reserve contains funds anticipated to be required to handle a number of minerals cases over the spending review period and the levels potentially required are kept under regular review by Resource Management Team. The impact of other legal cases pursued by the Authority (eg Rights of Way and Compulsory Purchase Orders) has been added to the scope of this reserve. A recent report to Resource Management Team has confirmed the requirement for the reserve at this level based on the portfolio of cases being handled in the short to medium term and these cases are expected to draw on the reserve over this period.

19. The Restructuring Reserve is used for statutory redundancy and superannuation fund shortfall payments and is essential in providing the one-off resources needed to support the transition to a lower baseline. In 2012/13 the Authority received £30,000 from Defra in support of redundancies in 2011/12, and £27,853 in 2014/15, but the Defra fund has now closed. Given that redundancy and superannuation shortfall costs per full time employee may average in the region of £15,000-£30,000 it is clear that the reserve will be depleted quite quickly if a programme of redundancies is necessary.

20. The Capital Reserve is only available to support capital expenditure. The level has been increased by the lease premium from the Roaches Estate and will be reduced by the previously approved environmental approvals, leaving the level around £150,000. Further proposed asset sales are expected to generate in the region of £950,000 over the next 2 years, from which prospective receipts in September 2014 ARP committee approved expenditure of £147,000 to support re-structuring Aldern House, with a view to creating lettable space from spare capacity within the building. A base level of £50,000 is considered to be an acceptable minimum allowing a small cash reserve for emergency capital expenditure; it is also desirable to maintain the capability to substitute some of the reserve (e.g. £100,000 p.a.) to replace revenue financed capital in order to allow some flexibility for emergency revenue sums. The remaining sum of £803,000 above this level is able therefore to contribute to capital expenditure proposals, but is expected to fall very short of total potential capital expenditure demands. It is therefore recommended that it is only allocated at the stage there is sufficient clarity and consensus over the relative priority between projects which will help reduce our revenue costs / or generate income; and those projects which will achieve significant asset repairs, after taking account of capital grant availability and/or fund raising opportunities.

21. The Matched Funding Reserve is used to earmark funds for commitments already made for matched funding payments to external funding projects, and has also been used as the temporary home for sums agreed from previous years' revenue budgets to be allocated specifically on a one-off basis against priorities. £442,000 was approved in Appendix 3 of the December 2011 report; £441,000 was approved in 2012/13, £185,750 was allocated in October 2013, and £83,000 in 2013/14. The timing of expenditure for the approved allocations varies, with the earmarked sums for future years retained in the reserve. The majority of the earlier allocations have been fully spent, and altogether, by 31st March 2016, the amount left in the reserve, representing a combination of earmarked allocations and contingencies, will be in the region of £150,000.

The Carry Forward Surplus is not a separate reserve but is a sum retained within the General Reserve; these are the funds earmarked specifically to be used as a contingency against the ability for the Authority to balance the revenue budget in any one year and the application of these monies can be seen in the Table in Paragraph 8 above.

22. The Specific Reserves are used to support individual service areas and each reserve's objective and planned usage is reported to Audit Resources and Performance Committee in June. Specific reserves, although earmarked for specific purposes, are available to support any Authority priorities as required in an emergency, subject to any commitments already made from them. The reduction in specific reserves arises mainly from planned programme expenditure although there may also be some pressure on these reserves if income targets are not met. In the 2013/14 outturn report Members approved allocations

totalling £30,000 to three property reserves; Aldern House, North Lees, and the minor properties reserve, so that each principal property group had its own specific reserve supporting the financial objective for the property. As tighter financial objectives are set for the property portfolio, it is considered important that the property managers have access to and from a specific reserve, to allow them to manage and achieve their financial objective between financial years without impacting on corporate reserves.

23. The Chief Finance Officer remains of the opinion that these reserves are essential to give confidence that budgets can be balanced in future years, taking into account the fact that the Autumn Statement is preparing “non-favoured” departments for continuing revenue grant cuts; noting a greater dependency on variable income sources, and also the fact that the cumulative impact of savings made decreases the resilience of the remaining budgets and therefore increases overall risk. Higher than usual reserve levels are a necessary consequence of future uncertainty over resource provision, and Defra have acknowledged the challenging nature of these reductions and the Authority’s efforts in dealing with them. The reserves and their application will be continually reviewed with Members and Management Team. Reserve levels are only available as one-off sources of finance and cannot be relied upon to balance future budgets except on a temporary basis until continuing baseline reductions or additional income can be safely achieved. The Authority’s ability to make use of the Prudential Borrowing powers is also significantly helpful in achieving invest-to-save proposals, ensuring that access to capital finance allows sensible investment decisions to proceed, which reduce future revenue expenditure.

Are there any corporate implications Members should be concerned about?

24. The financial, property, sustainability and human resource implications of the budget are integrated and planned by the Resource Management Team and the budget for 2015/16 includes all relevant matters arising from these plans, as well as all previous Member resolutions.

Risk Management

25. Clause 25 of Part 2 of the Local Government Act 2003 also requires the Chief Finance officer to report to Members, when calculating the net budget requirement, to advise on the robustness of the estimates made. Relevant factors include the previous year’s outturn; pay & price increases; pension contributions; the revenue impact of capital investment; realistic income assumptions; the internal financial control environment; audit conclusions; and the overall public sector financing climate. Part of this assurance is gained from the Annual Governance Statement, the Risk Register reported quarterly to Management Team, the Head of Finance’s involvement in all financial planning matters, and other relevant discussions with Management Team.

26. The Authority’s reliance on external income targets and estimates always remains a key risk area and as is usual, is carefully monitored by the Budget Monitoring Group during the year, especially where additional savings targets have been identified. The Moors for the Future team’s continuing ability to handle very significant project expenditure remains important.

27. The further proposals for 2015/16 built into the budget remain challenging for services, but the 2015/16 budget is robust and can be recommended as such to Members.

28. **Background Papers** (not previously published)
Defra Settlement Letter 20th December 2013

Appendices -
Appendix 1 Revenue Budget
Appendix 2 Capital Budget

Appendix 3 Breakdown of baseline budgets
Appendix 4 Explanation of Appendix 1

Report Author, Job Title and Publication Date

Philip Naylor, Chief Finance Officer, 29 January 2015