DENBIGHSHIRE COUNTY COUNCIL (DRAFT)

MEDIUM TERM FINANCIAL PLAN 2016/2018

Contents

1 BACKGROUND

Introduction

It is important that the Council considers its finances for more than one year ahead. This allows it to plan properly for cost pressures, savings, inflation, investment in corporate priorities and service changes. Denbighshire County Council does this through its Medium Term Financial Plan (MTFP). The Plan takes a look at the coming three years and considers what might happen to the Council during that time and what it might mean for its finances.

It links to plans put forward by services and corporate plans and priorities during the budget planning process.

There is an annual requirement to prepare a budget and to set the level of Council Tax. The MTFP will be updated each year as part of this process. Elected members will be kept informed of the developments of the MTFP through formal meetings, briefings and budget workshops.

The MTFP:

- Identifies what cost increases there might be in services - such as staff costs, supplies, external fees and service demand
- Sets out estimated future levels of Government funding
- Identifies the potential levels of savings needed to be delivered
- Identifies the cost of investing in priorities and how these might be funded
- Identifies any risks to the achievement of the plan.
- Identifies likely levels of Council Tax
- Set out the council's policy on financial reserves and balances

Although it is difficult to forecast these things precisely, the MTFP allows a broad view of the Council's financial future to be set out. In some cases, a range of values is presented with the 'central case' being the most likely or reasonable assumption to use for forecasting and planning. The MTFP is not intended to be a detailed explanation of all the Council services or their budgets, but to provide an overview and context for decision making.

The Wellbeing of Future Generations Act enshrines in legislation sound principles that mean the impact of decisions should be considered over a wide range of stakeholders and over a longer period. This means that whilst the council has legal obligations to set a balanced budget, the actions it takes to do this must be properly considered. The council's budget processes in recent years have embraced these principles by undertaking thorough impact assessments of all budget decisions (including the impact on cost/saving, equality, geography, language and demography). A significant engagement process was undertaken in the last budget round and this concept will continue to be developed. In addition, the council has established a committee of members to monitor the impact of budget decisions post implementation, primarily to evaluate whether the actual impact has deviated from the estimated impact. All budget decisions will continue to be assessed rigorously to ensure the impact is understood and that prudent and sustainable budgets continue to be set.

The Medium Term Financial Plan contains numerous planning assumptions and other considerations that are explained in more detail throughout this document. A summary of the potential impact (the central case) on the council is illustrated in the table below

Table 1 Medium Term Financial Plan – Central Case Assumptions

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Funding				
Revenue Support Grant & NNDR (RSG)	139,608	137,514	135,451	133,419
Council Tax	44,954	46,194	47,464	48,769
SSA / Budget Requirement	**184,562**	**183,708**	**182,915**	**182,189**
Use of Balances	500	2,500	1,000	
Total Funding	**185,062**	**186,208**	**183,915**	**182,189**
Expenditure				
Base Budget	**184,756**	**185,062**	**187,272**	**190,438**
Inflation:				
Pay	519	519	519	519
Pensions	927	350	350	350
National Insurance	900	-	-	-
Living Wage	50	500	500	500
Price - targeted	58	100	100	100
Price - NSI Energy	125	150	150	150
CTRS / Contingency	320	350	350	350
Social Services		500	500	500
Schools Protection	1,173	1,246	948	1,075
Schools Demography Adjustment	(320)	656	600	600
16/17 Contingency	486	(486)		
Other known items:				
Investment in Priorities	250	200		
Transfers into/out of Settlement	1,036			
EFFICIENCIES:				
Freedoms & Flexibilities Process	(5,218)			
17/18 Budget Process:				
1% Service Efficiency Target		(850)	(850)	(850)
Capital and Corporate Savings		(1,033)		
Total Expenditure	**185,062**	**187,272**	**190,438**	**193,732**
Funding Shortfall / (Available)	**(0)**	**1,064**	**6,523**	**11,543**
Annual increase/(decrease) in shortfall	**(0)**	**1,064**	**5,459**	**5,020**

Key Assumptions				
Settlement %	-1.20%	-1.50%	-1.50%	-1.50%
Council Tax Increase % Band D	1.50%	2.75%	2.75%	2.75%
Schools Protection	1.85%	1.93%	1.44%	1.61%

2 ECONOMIC BACKDROP & REVIEW

The majority of the Council's net revenue funding is from the Welsh Government (WG) in the form of Revenue Support Grant (RSG) and a share of the National Non Domestic Rates Pool (NNDR). Together they constitute the Council's Aggregate External Finance (AEF) sometimes called 'the settlement' and as this provides over 70% of the Council's funding, it is the major determinant of the annual revenue budget.

The Summer Budget of 2015 continued a theme first introduced in the UK Government's Comprehensive Spending Review (CSR) of 2010 which is to cut public spending as a means of reducing the deficit between total government income and expenditure. This policy has remained in subsequent Annual Spending Reviews and was a theme in the latest review published in November 2015. Further details of the November spending review are set out on page 6.

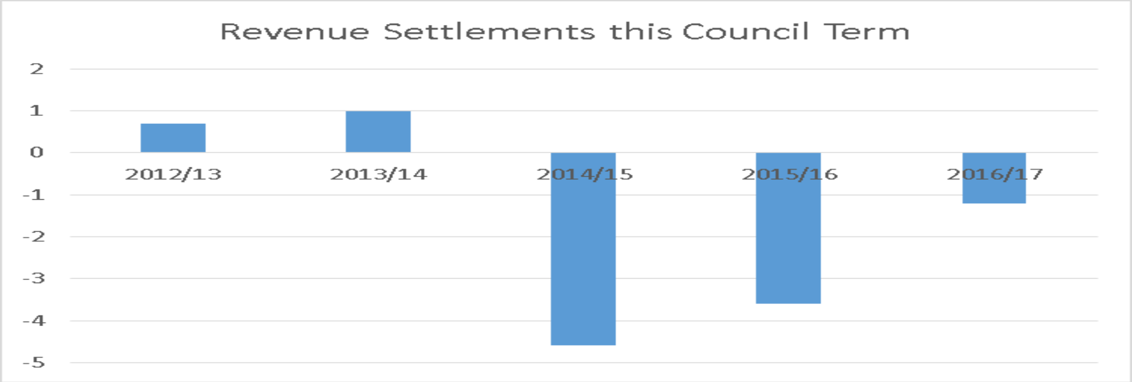
Government borrowing remains at historically high levels and the Chancellor has committed to bringing the government's budget into surplus by 2019-20. The majority of the actions planned to reduce the deficit are concentrated on expenditure reduction, rather than increased taxation – though measures closing tax loopholes and estimates of economic growth (and therefore increased tax yields) are included in the government's planning assumptions. This strategy has significant implications for the medium term finances of public services as it means that further cuts to funding will take place over the next four years.

The impact of economic austerity has, so far, impacted less on local authorities in Wales than it has in England. Welsh Local Government has not yet seen cuts of the same level, with the period from 11/12 to 13/14 seeing a basically static cash settlement to Welsh councils. The position was worse in 2014/15 with a reduction of 3.4% compared to the previous year. The impact in Denbighshire was even worse as adjustments to census data were included, giving a 5.2% cash reduction before a floor mechanism was applied. The final cash settlement was a cash reduction of 4.6% which was the highest reduction applied In Wales.

The Local Government Settlement for 2015/16 provided a further cash reduction to the council's budget of 3.6% which equated to £5.3m which was followed by a reduction of 1.2% for 2016/17.

A table showing the level of reductions in funding in percentage terms over the last five years is set out in the following chart:

Chart 1 – Council Revenue Budget Settlements 2012/13 – 2016/17



The process to identify the savings over the last two financial years was called Freedoms & Flexibilities. It involved a review of every service and activity and an analysis of the council's revenue budget. The process incorporated a series of sixteen budget workshops with elected members where the council's entire revenue budget was presented on a line-by-line basis, along with saving proposals from each service.

The process successfully delivered two budgets with savings summarised as follows:

Table 2 Analysis of Savings 2015/16 and 2016/17

Category of Saving Delivered by Freedoms & Flexibilities	2015/16 £'000	2016/17 £'000	Total %
Alternative commissioning / procurement / service delivery	520	1,253	14%
Change to service level received by public	867	331	9%
Efficiency & Modernisation	2,820	2,151	38%
Increase in Fees & Charges or additional external revenue	665	128	6%
Service Reduction/withdrawal	140	240	3%
Technical Budget Adjustments - matching budget to spend	2,747	1,115	30%
Total	**7,759**	**5,218**	

The vast majority (82%) of the savings made so far have been efficiency or other measures which have not negatively impacted services to the public.

At the same time as dealing with a funding cut, the council set priorities to protect and invest in important service areas such as schools, social care and the roads and has continued to achieve this throughout the budget process. Since 2012, the council has made savings of almost £30m on revenue expenditure whilst also and delivering significant investment in important capital schemes:

Table 3 Capital Investment 2012-2020

Summary Capital Investment 2012-2020	£m
Schools	96.8
Roads	18.4
Social Care	21.5
Floods & Coastal Defence	16.1
Economic Development/ Regeneration	26.8
Leisure & Libraries	6.7
Other	9.3
Total	**195.6**

The current economic and political uncertainty makes service delivery and financial planning very difficult. Following the Welsh Government elections in May 2016, proposals to reorganise Welsh councils have been reviewed with as yet no clear plan for the future. In addition, the impact of the referendum vote to leave the European Union has added significant uncertainty both politically and financially with initial indications suggesting the result may be a weakening of the UK economy.

The latest economic data informing the MTFP is derived from the Autumn Spending Review 2016.

Autumn Spending Review 2015

The Chancellor's Autumn Spending Review in November 2015 set out the UK Government's spending plans and assumptions for the next four years. Some of the relevant headlines were:

Economic Growth

- Growth is expected to be 2.5%, 2.4% and 2.3% in 2017, 2018 and 2019 respectively.

Government Borrowing

- Debt will fall in every year from now on
- Surplus will be achieved in 2019-20
- Housing Associations' debt is now on the public balance sheet
- Debt to GDP ratios to go down from 82.5% this year to 71.3% by 2020-21
- Tax receipts are stronger and debt interest is lower than at the Budget forecast (July 2015) according to OBR
- Deficit is to be 3.9% of national income this year, then 2.5% in 2016-17 and 1.2% and 0.2% in subsequent years, before moving to surplus of 0.5% in 2019-20 and 0.6% the following year
- Borrowing is a lot lower and by 2019-20 there's a surplus of £10.1bn, and £14.7bn the year after

Public Spending

- Revenue spending will fall by an average of 0.8% in real terms over next SR period (compared to 2% in previous period)
- Health will need to find £22bn of efficiency savings and there will be a move to loans for new nursing students from maintenance grants.
- NHS budget will rise by half a trillion pounds by 2020-21
- £600m extra funding in this area for mental health
- Schools and Foreign Aid protected.

Impact on the Welsh Government Budget

The impact of the Spending Review on the Welsh Government 'Block Grant' is shown to increase over the period in cash terms as follows:

Table 4 Welsh Government Budget

Welsh Government Departmental Expenditure Limit 2015 Autumn Spending Review					
	£bn	£bn	£bn	£bn	£bn
	2015	**2016**	**2017**	**2018**	**2019**
Revenue	12.9	13.0	13.1	13.2	13.3
Capital	1.5	1.5	1.5	1.6	1.7

The subsequent budget set by the Welsh Government for 2016/17 showed growth in cash terms from £15.6bn to £15.9bn, an increase of £351m, or 2.3% in total. Nearly two-thirds of the increase £230m (15.8% uplift) applied to capital budgets and £121m (0.85%) to revenue. The budget provided an additional £278m to the NHS, including a

£30m increase to the Intermediate Care Fund, which should have benefits for local government.

The resulting Local Government Settlement announced on 9th December was much better than expected with an overall cash reduction to local government of -1.3% and a reduction to Denbighshire of -1.2%. The range of reductions across Welsh councils varied from -0.1% (Cardiff) to -3.0% (Powys) with the impact generally worse for rural counties. The levels of Aggregate External Finance (the level of finding provided via Welsh Government) when calculated on a per capita basis show that the level of funding per head in Denbighshire is ranked 6th highest in Wales and is £145 per head above the Welsh average.

The total reduction to the Local Government Settlement was £54.2m. In addition, specific revenue grant funding reduced by £38m, reducing the total resources available to local government in Wales by £92m.

The details of the final revenue settlement for the council are shown below. It shows the settlement reduction of -1.2% is ranked 10th in Wales and 11th on a per head basis:

Table 5 Settlement Details

Dataset	2015-16 Final (£000)	2016-17 Final (£000)	Difference (£000)	% Difference	Rank
AEF plus Top-up Funding					
Overall Aggregate External Finance plus top-up funding	140,257	139,608	-649	-0.5%	10
AEF plus top-up funding per capita (£)	1,468	1,455	-13	-0.9%	11
AEF plus top-up funding adjusted for transfers	141,294	139,608	-1,686	-1.2%	10

The council's settlement reflects a reduction in the quantum (the overall allocation of funding to councils) distributed by movements in formula indicators like population projections, pupil numbers, free school meal take-up and claimant counts. The details are shown below:

Table 6 Key Dataset Changes

Dataset	2015-16 Final	2016-17 Final	% Difference	Rank
Population - Projections	95,550	95,980	0.5%	7
Pupil Numbers - Nursery and Primary	7,961	8,142	2.3%	2
Pupil Numbers - Secondary in year groups 7-11	5,915	5,743	-2.9%	19
Free School Meals - Primary	1,513	1,559	3.0%	6
Free School Meals - Secondary	1,020	955	-6.4%	16
Children in out of work families	4,600	4,400	-4.3%	10
Total IS/ JSA/ PC claimants - Under 65	5,295	4,445	-16.1%	9
Total IS/ JSA/ PC claimants - 65+	5,027	4,910	-2.3%	1
Total IS/ JSA/ PC claimants	10,339	9,370	-9.4%	5
SDA & DLA claimants	4,959	4,737	-4.5%	3

There have been no reliable planning totals issued in advance by the Welsh Government since 2013, leading to uncertainty from year to year. Given that the majority of the council's funding comes from government, this lack of reliable multi-year settlements makes reliable budget planning difficult. The council's processes have dealt with this problem but it is not a sustainable position. The 2016/17 budget settlement was a one-year settlement with no indications what future years' funding would look like. It is hoped that more reliable information will be available in future.

3 MEDIUM TERM PLANNING – FORWARD ASSUMPTIONS

Funding

The Council is reliant on Welsh Government grants for around 78% of its net revenue income. This means it is crucial that the Council understands what grants it might receive in future years.

Given that over three quarters of the council's funding is received via the Welsh Government, changes to the annual settlement have a significant impact. For every percentage reduction, the cash impact is a reduction of £1.396m based on the 2015/16 budget. The impact of a range of settlement values is illustrated below with the base case shown as a cash reduction of -1.5%:

Table 7 Sensitivity Analysis – Revenue Settlement

Reduction %	Cash Reduction £'000	Change from MTFP Assumption £'000
0.0%	0	2,094
-0.5%	-698	1,396
-1.0%	-1,396	698
-1.5%	**-2,094**	**0**
-2.0%	-2,792	-698
-2.5%	-3,490	-1,396
-3.0%	-4,188	-2,094

The likely reductions in cash funding settlements are only part of the equation. As noted earlier, Welsh councils are also reliant upon significant levels of specific grants which have been cut in recent years. As well as cuts to funding, the council also has to absorb inflationary pressures and increased demand for services in some sectors, particularly social care and increasingly in schools.

Council Tax

Council Tax provides around 25% of the council's net revenue budget funding. Council Tax levels in Denbighshire are among the higher quartile in Wales but the financial strategy over recent years has been to minimise increases as much as possible. A balance needs to be struck between the ability to raise enough money to fund important services to the right level and the impact increasing taxation will have on residents of the County. Throughout the plan, it has been assumed that Council Tax will rise at 2.75% each year, although this is obviously a decision that elected members make each year having considered the financial and service plans in detail and its impact on residents. The tax rise was lower than this in 2016/17 as a consequence of robust budget planning and the revenue budget settlement being better than expected.

The success of the strategy to address the relatively high reliance on Council Tax funding is measured in the graphs below. The first shows the gap between the average Band D valuation in Wales (the most common comparator of Council Tax levels) continually narrowing, which is as a result of the average rise annually being continually less than the average in Wales since 2013, as demonstrated in the second graph.

Chart 2 Band D Council Tax Levels

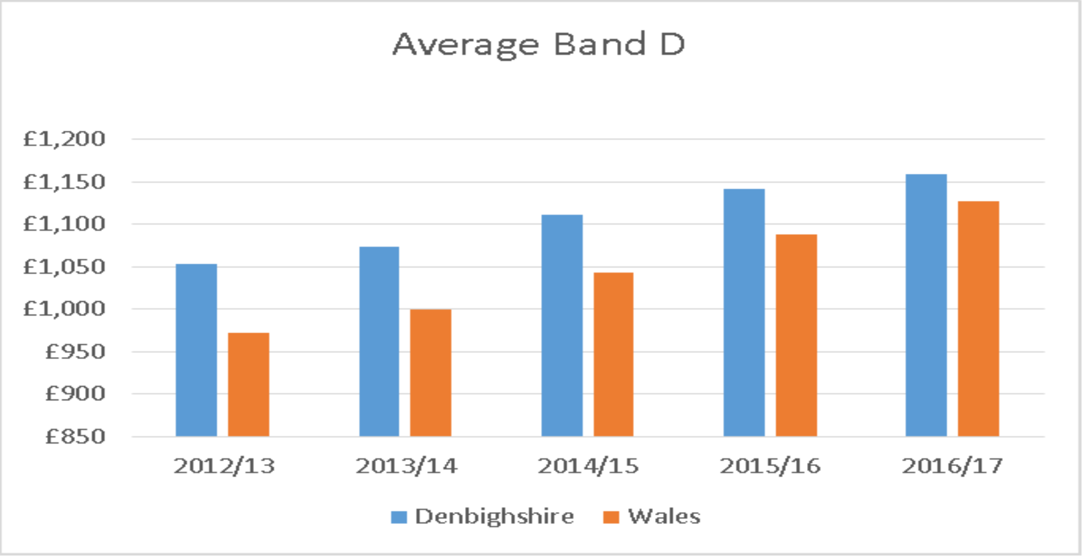
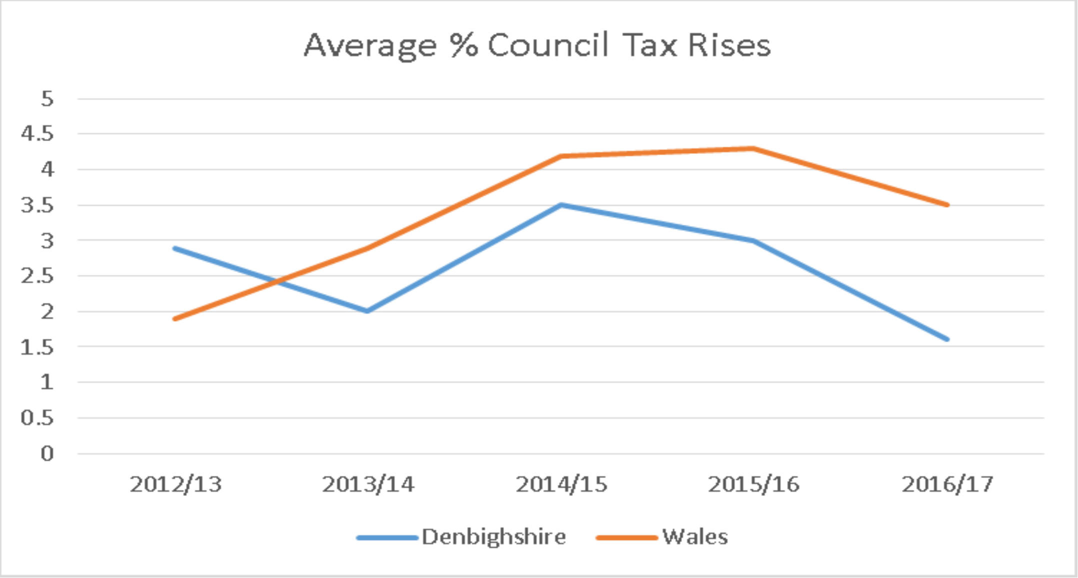


Chart 3 Average Band D Rises – 5 year trend



Summary of Key Financial Planning Assumptions

By definition a medium term plan has to include assumptions about future events. The key annual assumptions contained in this Plan are as follows:

Table 8 Base Case Planning Assumptions

Issue	Assumption	Range and Base Case Impact
Government Funding	To continue to reduce as WG continue to protect NHS and other areas at the expense of local government. Range based on Autumn Statement and possible levels protection to non-local government budgets in Wales.	Range from +0.2% to -2% (17/18). Planning assumption -1.5% in the absence of anything more reliable.
Local Funding	Council tax rise in the range of 2-3%.	Planning assumption 2.75%.
School Protection	If the ministerial pledge continues in its current form, the level of increase to schools budgets will be +1.93% (worth £1.2m) in 17/18. In addition, pupil demography goes up in 17/18 (after three years of reduction) with a potential cost of £656k. Since the introduction of school protection, schools have funded all pay and related cost increases.	Planning assumption is to fund schools to this level. Assume schools continue to fund pressures from within financial protection.
Pay and Pensions	Continue to assume funded centrally but would be trimmed back if the budget gap is not likely to be met from savings proposals – this would force services to make spending reductions to balance.	Pay award assumptions are an average of +1% plus additional costs for the national living wage. Costs for pension increases are built in but negotiations with actuaries before the EU referendum result were testing the possibility of minimising increases over the next three years. Actuarial assumptions may need to be revised as a result of recent financial market uncertainty.
Other corporate pressures	Includes Fire Levy, members costs, insurance premiums, CTRS, energy costs, etc.	Amounts to approximately £600k
Investment in priorities and new burdens	Assume some level of investment in priority areas or additional burdens, such as preparation for LGR and transition process	£200k per year estimate included.
Social care protection	Not included as this has never been defined. However some recognition of growing pressures to be included though it is assumed the service will fund some of this through reinvesting efficiency savings.	£500k net additional cost estimated for the next two years.

Other Assumptions

In addition to general inflationary pressures included above, there are pressures that relate to specific services which are considered during the budget process, such as:

- an ageing population
- increased costs of care provision
- pupil numbers are decreasing in some areas of the County while increasing in other areas
- the increased costs of waste disposal

4. BUDGET PROCESS 2017/18

Principles of the 2017/18 Budget Process

Given the lack of robust indications about future years' settlements alongside 2017/18 being the last administrative year of the current council, a one-year budget process has been developed as follows:

- **2017/18 Budget** – The process will concentrate on delivering a balanced budget for 2017/18 and Members will not be asked to approve savings for future years, although some savings will have an ongoing impact.
- **Collation of data** – Finance have developed a suit of forms that services will be expected to complete to inform the budget process and facilitate decision-making. In particular the forms will allow for the identification of efficiency savings, options to reduce service levels and budgets, specific service pressures, use of service reserves and the fees and charges policies within the service.
- **Efficiency Target** – It is likely that services will be given a modest efficiency saving target (e.g. 1%) which all services will be expected to deliver through genuine efficiency savings (i.e. not relating to a reduction in service level or increase in charges).
- **Saving Target** – The efficiency target is unlikely to be sufficient to balance the budget so an additional savings target for the Council will also be calculated and budget proposals will be developed to meet the target. . The target is likely to exceed the projected budget gap to allow Member choices to be made in balancing the budget. It is recognised that a number of these suggestions may involve transformational projects which may well involve reduction in service levels or service delivery methods. Some of the proposals will be those that were brought forward under Freedoms & Flexibilities but were not required to balance the 2016/17 budget.
- **Budget Proposals** - For each proposal made there will be an assessment of the possible impact (equalities, jobs, service quality, locality, language etc. There will also need to be assessment of impact in respect of the Wellbeing of Future Generations Act.
- **Budget Timetable** – The timetable (Appendix 1) summarise the following four stages of the budget process:

1) Define and develop the process
2) Identify initial proposals
3) Consult on and finalise proposals
4) Final approval stages

5 THE CORPORATE PLAN

The Council's Corporate Plan was agreed in 2012 and contains an ambitious list of investments to support its seven priorities:

- Developing the local economy
- Improving performance in education and the quality of our school buildings
- Improving our roads
- Vulnerable people are protected and are able to live as independently as possible
- Providing a clean environment
- Ensuring access to good quality housing
- Modernising the Council to deliver efficiencies and improve services for our customers

The Corporate Plan not only set out ambitions but identified a clear funding plan to ensure the priorities are actually delivered. The capital elements of the Plan are progressing well with investment of £41m to the end of 2015/16, with a further £30m planned in 2016/17. The funding plan amounts to £132m over a 5-7 year period.

A summary of the financing of the Corporate Plan is included in Appendix 2.

6 BALANCES & RESERVES

The Council sets aside money to allow it to meet known or unforeseen issues. This money is put into reserves when the Council wants to fund a specific project at some point in the future, for example a new IT system. It keeps general balances for use in emergency situations when no other funding is available. In the past the Council's general balances were far too low and it worked hard to rebuild them

Cash resources can play an important part in a period of financial difficulty. In such periods, it may be tempting to use balances and reserves to meet normal expenditure requirements rather than make difficult budget decisions. But this can only be a short term measure and should not be viewed as a permanent solution. However, if cash is used in a planned and sensible way, it can mitigate the impact of funding cuts and help to protect service delivery. It is important that balances and reserves are maintained at a sufficient level for the Council to ensure it is in a safe financial position but also to ensure they are properly considered as part of the budget setting process. It is therefore about getting the balance right between supporting service delivery and prudent financial management.

The budget set in 2015/16 assumed a funding requirement from balances of £0.5m, with the same amount assumed for the subsequent two years. So far, it has not been necessary to draw down the additional funds, therefore, it is prudent to assume balances can be used as part of the 17/18 budget setting process, without taking them below planned levels. The position will be reviewed again as part of the 2018/19 budget process.

Earmarked (cashable) reserves are set aside to mitigate the risk of a future liability or established as part of a planned funding strategy. For example, the council's reserves include significant funds set aside as part of the funding for the Corporate Plan. Reserves are assessed annually and fully reviewed regularly. In 2013/14, some £6m was reallocated to fund the Corporate Plan and a similar review will be completed during 2016/17. Budget plans for 2017/18 assume the use of specific reserves set up as part of the budget process for 2016/17.

7 INVESTMENTS & BORROWING

The Council has a clear Treasury Management Strategy that sets out how it will invest and borrow what risks are involved. This is presented to full Council each February with regular updates reported during the year. It is assumed that over the next 3 years interest rates will remain broadly static with perhaps a gradual rise by the end of 2018. When investing, the council's policy is to take a prudent and balanced view of security over yield. Borrowing and the cost of borrowing is kept under close review and annually a set of prudential indicators are produced that set out the medium-long term financial impact of capital investment and borrowing decisions to ensure they remain prudent, affordable and sustainable.

8 GRANTS

Other than its main revenue grant, the Council also relies on numerous other grants for service delivery. Over £900m of funding comes to Welsh councils via government grant and in Denbighshire this equates to £32m. Grants are being cut annually without on an ad-hoc basis – some are even cut during the year and so this is a risk area for the council. . The council's policy is to pass grant reductions directly onto the service provision affected – including any match-funding elements.

9 FEES & CHARGES

These are reviewed as part of the budget process and will continue to be going forward. Where the council has discretion over a charge or fee, the decision to alter the levels rests with the Head of Service. The 2017/18 budget process will collate all fees and charges data to ensure there is a coherent and consistent approach between services,

10 HOUSING REVENUE ACCOUNT

By law, the finances for the Council's housing stock are kept separate from the rest of the Council. Any expenditure must be financed from rents or grant from the Welsh Government. Rent policy is determined by Welsh Government which includes control over rent increases. The Council currently has a 30 year housing stock business plan that is reviewed each year and subject to scrutiny by the Wales Audit Office and the Welsh Government.

In April 2015, there was a national agreement to abolish the subsidy system which underpinned local authority housing finance in Wales. In place of the subsidy, a system of self-financing has been introduced that means councils retain all of the rent they collect and can invest the additional resources into the existing or new housing stock.

The HRA Housing Stock Business Plan now includes provision to increase the housing stock by investing £15m over the next four years and the 30 year plan remains in surplus throughout.

10 CAPITAL

The money that the Council spends on looking after its buildings, roads, equipment, vehicles and other assets, is called capital expenditure. By law it must keep its day to day expenditure (revenue) and its capital expenditure separate. The council pays for expenditure on its assets in three main ways – grants, borrowing and selling off unwanted property and equipment (capital receipts). Each of these ways of raising money has been badly hit recently.

Each year the Welsh Government gives the Council money to spend on capital projects that are decided by the Council. This is called general capital funding. As part of its annual settlement the Welsh Government has cut this grant by over 20% in the last four years. Therefore, more reliance has been placed on using the council's own resources to fund borrowing for capital investment.

The Council produces a rolling Capital Plan that details where it is likely to spend its funds. Every bid for capital resources is reviewed and prioritised by the Strategic Investment Group (a group made up of elected members and senior officers) before being considered for inclusion in the Capital Plan.

Each year the Council sets Prudential Indicators that determine prudent limits on its borrowing. These are set out in the Council's Treasury Management Strategy to ensure that borrowing remains affordable.

Appendix 2 shows the Capital Plan, including the Corporate Plan in more detail.

APPENDIX 1

Appendix 1

PROPOSED BUDGET PROCESS 2017/18

BUDGET OVERSIGHT - Monthly Updates to CET, Corporate Governance Committee & Cabinet Briefing

7th March	CET Session - Agree Principles of New Process
17th March	SLT Session - Agree New Process
23rd March	Corporate Governance - Progress Report
4th April	Political Group Leaders Meeting
March - April	Finance prepare paperwork and financial details in line with new SLT restructure
May to Early July	SLT prepare Initial Budget Proposals using agreed proformas
6th June	Update to Council Briefing
July	Finance / CET / SLT Review of initial proposals and latest intelligence
18th July	Update Membrs on Process and Initial Proposals
July - Aug	Budget Proposals Further Developed by SLT
Sept - Dec	Consultation / Engagement
Oct	CET / SLT Budget Update - Based on Draft Settlement
21st Oct	Budget Workshop
18th Nov	Possible 2nd Budget Workshop
Dec	Council Report - Approve Tranche of Savings and Budget Update (Final Settlement)
Jan	Cabinet Recommends 2017/18 Draft Budget
Date TBC	LJCC Consultation
31st Jan	Council Approves 2017/18 Budget

Defining the Process | **Initial Proposals** | **Consultation and Finalising Proposals** | **Final Approval Stages**

Process | SLT | Member Engagement | Consultation | Formal Approvals

Appendix 2

Denbighshire County Council - Capital Plan 2015/16 - 2018/19

General Capital Plan

		2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s
Capital Expenditure					
	Total Estimated Payments - General	20,470	17,445	171	171
	Total Estimated Payments - Corporate Plan	24,084	16,184	5,327	250
	Contingency	0	683	500	500
	Total	**44,554**	**34,312**	**5,998**	**921**
Capital Financing					
External Funding		17,944	12,354	7,303	5,055
Receipts and Reserves		15,162	9,618	977	
Prudential Borrowing		11,448	12,340	2,086	234
Unallocated Funding		(0)	0	(4,368)	(4,368)
	Total Capital Financing	**44,554**	**34,312**	**5,998**	**921**

Corporate Plan

		£000s	£000s	£000s	£000s
Revised February 2016					
Approved Capital Expenditure	Cefndy Healthcare Investment	37	103		
	Extra Care	793	6		
included in above plan	Highways Maintenance and bridges	2,689	2,742		
	Feasibility Study - New Ruthin School	133	485		
	Feasibility Study - Carreg Emlyn	105	273		
	Llanfair/Pentrecelyn Area School	47	436		
	Rhyl High School	16,085	2,889	332	
	Ysgol Bro Dyfrdwy - Dee Valley West Review	15	33		

	Bodnant Community School	2,071	935	61	
	Ysgol Glan Clwyd	2,090	8,269	4,934	250
	Faith Based Secondary	19	13		
Estimated Capital Expenditure		0	14,748	24,745	23,165
	Total Estimated Payments	**24,084**	**30,932**	**30,072**	**23,415**
Approved Capital Funding included in above plan	External Funding	7,072	33	2,435	187
	Receipts and Reserves	10,357	6,107	977	
	Prudential Borrowing	6,655	10,044	1,915	63
Estimated Capital Funding	External Funding	0	7,290	9,682	17,166
	Receipts and Reserves	0	1,361	2,966	600
	Prudential Borrowing	0	6,097	12,097	5,399
	Total Estimated Funding	**24,084**	**30,932**	**30,072**	**23,415**