

Introduction by the Deputy Chief Executive

General Fund Revenue Estimate

Introduction

This document provides Members with details of budgeted expenditure and income for those General Fund services that will be operated by the Council during the 2015/16 financial year.

The Council agreed the budget and set its Council Tax for the 2015/16 financial year at its meeting on 25th February and agreed there would be no change in the Council Tax for North Warwickshire Borough Council. The process that led to this decision is set out below, together with an analysis of the funding streams provided to the Council from Central Government to enable it to provide the wide range of services on offer to the people of the Borough.

Financial Strategy 2015/16

In September 2014, the Executive Board approved the Financial Strategy for the Council for the period 2015/2019. The Strategy assumed a 1.95% increase in Council Tax and a 15.3% decrease in external funding. On this basis the strategy then set out the level of savings that would need to be identified over the forthcoming years to enable the Council to continue to provide an effective level of services within a robust budget. No growth was included within the strategy.

For 2015/16 the level of savings required totalled £655,000 with further savings of £565,000 in 2016/17, £475,000 in 2017/18 and £350,000 in 2018/19.

The actual level of savings achieved through the reduction in expenditure budgets or the identification of additional income was higher than the target for 2015/16, totalling £685,380. These reductions are summarised below.

Service Area	£'000 2015/16 Onwards
Resources Board – Central Budgets	251,200
Community and Environment Board	46,300
Resources Board	96,250
Planning and Development Board	29,130
Executive Board	12,500
Corporate	250,000
Total	685,380

The savings identified and included within the 2015/16 revenue estimates are set out on page x.

Growth of £73,230 was included in the 2015-16 budget, £50,000 of which is to be used for the delivery of broadband services, once value for money is demonstrated. In addition further unavoidable growth of £16,730 to cover the removal of asbestos on amenity land and £6,500 to cover additional building maintenance costs relating to statutory requirements for the Council House have been included.

The General Fund Budget Requirement

The Council's overall General Fund Budget Requirement for 2015/16 totals £8,334,770, which includes both Service Budgets and other Financing Adjustments. This amount is £46,830 (0.01%) lower in cash terms, than the amount set for 2014/15. The reasons for the movement in the overall requirement are set out in the table below.

		£,000
	Budget Requirement 2014/15	8,382
Add	Cost of Inflation	605
	Impact of Service Changes (inc. those on Benefits)	348
	Decrease in the Use of Balances	1
Less	Increase in Grants Received (inc. those on Benefits)	470
	Decrease in Contingencies	60
	Increase in Income	471
	Budget Requirement 2015/16	8,335

Council Tax, Government Funding and New Homes Bonus

Central government provides funding to local authorities for their General Fund activities through the Settlement Funding Assessment system. The government decides on the funding to be allocated to Local Government on a national basis, and then allocates this funding between authorities using a formula calculation.

The funding allocated for this Council show a 15.4% reduction in 2015/16 from the previous year, with a further 10% reduction indicated in 2016/17. Figures for 2017/18 and 2018/19 are not yet known, although further reductions to national control totals have been discussed and are expected. Our latest projections have assumed further reductions of 10% in both years.

In 2015/16, local authorities can retain a proportion of the business rates they collect for the year. The Secretary of State announced a baseline funding level of £1.744 million for North Warwickshire in the 2015/16 Finance Settlement. As we are required to pay a business rate tariff of £14.528 million in 2015/16, we need our local share of business rates to come to £16,272 million, in order to achieve this level of funding. In addition to this we expect to retain an additional £250,000 in business rates growth in the year.

If the business rates in our area fall due to business closures or rating appeals, we may not achieve our baseline funding level. This would impact on our financial forecasts, reducing the level of balances we hold. The operation of a national safety net system would provide provision when the Authority's baseline funding fell by 7.5%. If additional business rates are collected, we are required to pay a levy of 50% of the additional rates to the government, and a further 10% to Warwickshire County Council. We would retain the remaining 40%.

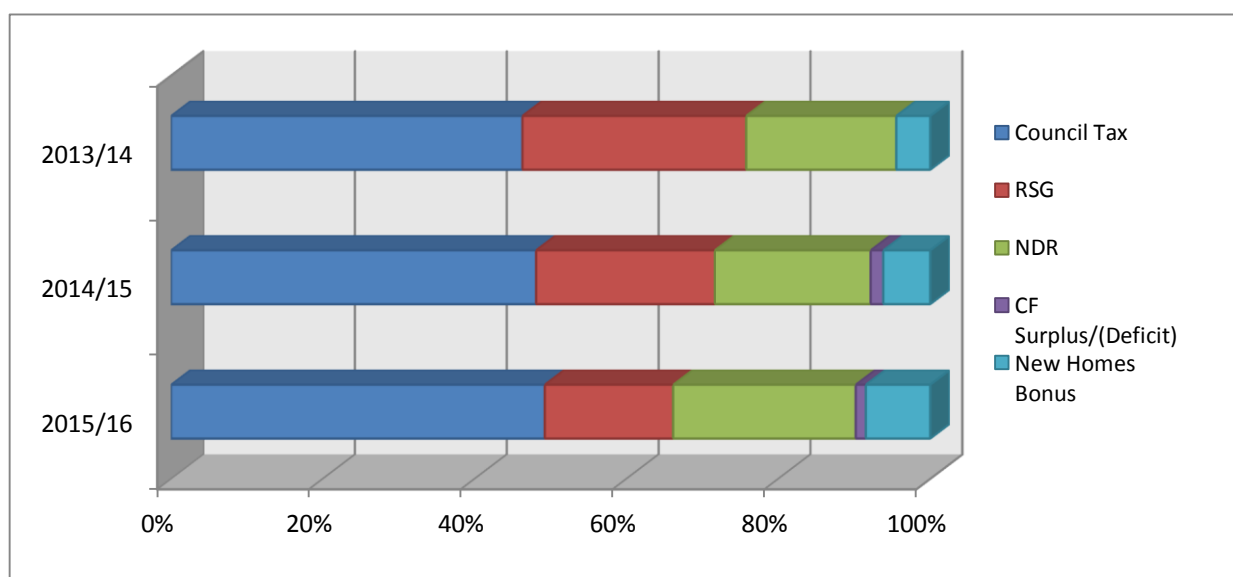
The Council is a member of the Coventry and Warwickshire Business Rates Pool. This Local Pool agreed a safety net provision at a 5% loss of baseline funding, which would benefit the Council in the event that business rates fall. If business rates increase, the Pool will have a lower levy rate than the Council, of around 17%, allowing the Pool to keep more of the increase.

The setting of the Council Tax takes into account the spending requirements of the boards, reduced by investment income, financing adjustments and expected contributions from balances to arrive at the Borough Requirement. This is then further reduced by external funding and any surplus on the collection fund to arrive at the Council Tax requirement for the Borough.

North Warwickshire Borough Council Tax for 2015/16 has remained at 2011/12 levels. However, there has been an increase in the number of properties paying Council Tax, so an additional £97,330 will be collected in 2015/16.

The New Homes Bonus expected for 2015/16 is £189,170 higher than in 2014/15. This revised figure has been used as a base for projecting grant income for the rest of the strategy period, following a review of the new build identified in the Core Strategy.

The diagram below shows the proportion that each funding source makes to the overall requirement of the Council over the last three years and highlights the difficulty in forecasting Government support on a year by year basis.



The Council Tax set by Warwickshire County Council for 2015/16 increased from 2014/15 levels by 1.95% and Warwickshire Police Authority for 2015/16 increased from 2014/15 levels by 1.99%. These increases, taken with decreases in the Parish Precepts have resulted in an overall average Council Tax increase of 1.64%. The average council tax by band for North Warwickshire Residents is set out below.

Band	A	B	C	D	E	F	G	H
Warwickshire CC	800.76	934.22	1,067.68	1,201.14	1,468.06	1,734.98	2,001.90	2,402.28
Warwickshire Police	125.49	146.40	167.32	188.23	230.06	271.89	313.72	376.47
North Warwickshire	138.20	161.23	184.27	207.30	253.37	299.43	345.50	414.60
Parishes (Average)	29.85	34.82	39.80	44.77	54.72	64.67	74.62	89.54
Total	1,094.30	1,276.67	1,459.07	1,641.44	2,006.21	2,370.97	2,735.74	3,282.89

Further detail is given on pages viii and ix.

Council Balances

The Council's Financial Strategy is based upon maintaining a minimum level of General Fund balances of £1.36 million over the medium-term, and growth, savings and service budget requirements are all determined taking this factor into account. The use of balances included in the agreed financial strategy have, subsequently been revised to take account of changes made in the 2015/16 budget estimates. These amounts are set out below.

Revised Budget Strategy

	2014/15 Revised £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Board Requirements	9,334	9,635	9,921	10,193	10,449
Grant payments to Parish councils	98	83	75	68	61
Investment Income	(100)	(100)	(120)	(180)	(230)
Financing Adjustment	(830)	(808)	(779)	(695)	(703)
Revenue Contribution to Capital Spending	119	119	119	119	119
External Funding	(3,925)	(3,396)	(3,037)	(2,758)	(2,507)
New Homes Bonus	(514)	(704)	(814)	(833)	(825)
CT Freeze Grant	(45)	(45)	-	-	-
Collection Fund Surplus	(139)	(109)	(103)	(106)	(108)
Net Expenditure	3,998	4,675	5,262	5,808	6,256
Council Tax	(3,984)	(4,081)	(4,184)	(4,288)	(4,396)
Use of Balances	14	594	1,078	1,1520	1,860
Savings Required 2015/16	-	-	(535)	(535)	(535)
Savings Required 2016/17	-	-	-	(475)	(475)
Savings Required 2017/18	-	-	-	-	(350)
Adjusted Use of Balances	14	594	543	510	500
Level of Balances	4,323	3,729	3,186	2,676	2,176

The Council Tax 2015/16

Expenditure Requirements	£	£
North Warwickshire Borough Council Precept		8,334,770.00
Parish Council Precepts		881,423.10
		9,216,193.10
Less:		
Revenue Support Grant & NDR Distribution	(3,396,050.00)	
New Homes Bonus	(703,660.00)	
CT Freeze Grant	(45,000.00)	
Collection Fund surplus	(109,040.00)	(4,253,750.00)
Net Borough Council Requirement		4,962,443.10
Warwickshire County Council Precept		23,646,290.66
Warwickshire Police Authority Precept		3,705,674.56
Total Council Tax Requirement		32,314,408.32

The Council tax for 2015/16	£	£
Effective Tax Base for Whole Area (number of Band D equivalent properties)	19,686.54	
Warwickshire County Council Requirement Requirement divided by Tax Base =	23,646,290.66	1,201.14
Warwickshire Police Authority Requirement Requirement divided by Tax Base =	3,705,674.56	188.23
North Warwickshire Borough Council Requirement Requirement divided by Tax Base =	4,081,020.00	207.30
Parish Requirement (average) Requirement divided by Tax Base =	881,423.10	44.77
Total Average Band D Council Tax		1,641.44

The Council Tax 2015/16

Column No Parish Councils	1 <u>Parish Precept</u>	2 <u>Tax Base (Band D)</u>	3 <u>Parish Precept per Band D</u>	4 <u>Add Borough Precept Band D</u>	5 <u>Add County Precept Band D</u>	6 <u>Add Police Precept Band D</u>	7 <u>Council Tax Band D Cols 3+4+5+6</u>
Ansley	19,000.00	584.37	32.51	207.30	1,201.14	188.23	1,629.18
Arley	24,848.00	836.68	29.70	207.30	1,201.14	188.23	1,626.37
Astley	1,415.00	65.74	21.52	207.30	1,201.14	188.23	1,618.19
Atherstone	130,762.00	2,598.24	50.33	207.30	1,201.14	188.23	1,647.00
Austrey	10,400.00	383.02	27.15	207.30	1,201.14	188.23	1,623.82
Baddesley Ensor	44,700.00	487.57	91.68	207.30	1,201.14	188.23	1,688.35
Baxterley	11,500.00	123.30	93.27	207.30	1,201.14	188.23	1,689.94
Bentley/Merevale	710.00	46.74	15.19	207.30	1,201.14	188.23	1,611.86
Caldecote	-	79.33	-	207.30	1,201.14	188.23	1,596.67
Coleshill	220,510.56	2,253.08	97.87	207.30	1,201.14	188.23	1,694.54
Corley	15,000.00	292.14	51.35	207.30	1,201.14	188.23	1,648.02
Curdworth	25,000.00	471.83	52.99	207.30	1,201.14	188.23	1,649.66
Dordon	23,460.00	824.06	28.47	207.30	1,201.14	188.23	1,625.14
Fillongley	15,000.00	629.25	23.84	207.30	1,201.14	188.23	1,620.51
Great Packington	-	55.02	-	207.30	1,201.14	188.23	1,596.67
Grendon	16,941.00	519.60	32.60	207.30	1,201.14	188.23	1,629.27
Hartshill	88,500.00	1,028.35	86.06	207.30	1,201.14	188.23	1,682.73
Kingsbury	26,978.00	2,332.32	11.57	207.30	1,201.14	188.23	1,608.24
Lea Marston	7,995.00	137.21	58.27	207.30	1,201.14	188.23	1,654.94
Little Packington	-	19.21	-	207.30	1,201.14	188.23	1,596.67
Mancetter	21,153.00	628.11	33.68	207.30	1,201.14	188.23	1,630.35
Maxstoke	4,826.00	112.27	42.99	207.30	1,201.14	188.23	1,639.66
Middleton	11,954.00	303.14	39.43	207.30	1,201.14	188.23	1,636.10
Nether Whitacre	10,574.00	458.13	23.08	207.30	1,201.14	188.23	1,619.75
Newton Regis/Seckington	9,305.00	218.86	42.52	207.30	1,201.14	188.23	1,639.19
Over Whitacre	3,000.00	184.48	16.26	207.30	1,201.14	188.23	1,612.93
Polesworth	63,227.94	2,385.96	26.50	207.30	1,201.14	188.23	1,623.17
Shustoke	9,640.00	197.40	48.83	207.30	1,201.14	188.23	1,645.50
Shuttington	4,560.00	149.09	30.59	207.30	1,201.14	188.23	1,627.26
Water Orton	58,713.60	1,219.69	48.14	207.30	1,201.14	188.23	1,644.81
Wishaw	1,750.00	62.35	28.07	207.30	1,201.14	188.23	1,624.74
Totals	<u>881,423.10</u>	<u>19,686.54</u>					
Average Band D Council Tax			44.77	207.30	1,201.14	188.23	1,641.44

SAVINGS INCLUDED IN 2015/16 FIGURES

Board	Description	2015/16 £
C & E	A reduced DSO recharge (Additional income from the HRA)	13,000
C & E	The Horticulture DSO undertake pitch repair treatments on a more targeted basis	7,490
C & E	A move to an 8 day fortnight for road sweeping on the Amenity Cleaning service	5,890
C & E	Reduction in Carriage way sweeping weekend work on amenity cleaning service	5,000
C & E	Reduction in the Warwickshire Race Equality Partnership payment in the corporate policy budget	5,000
C & E	New Coleshill Leisure Centre - more financially efficient service delivery	3,820
C & E	Reduction on professional fees in the consultation budget	3,000
C & E	Reduction in Grants and Contributions in Sustainable Communities budget	2,860
C & E	Reduction in Corporate Subscriptions on the Public Health budget	240
P & D	Additional Planning Fee Income	25,000
P & D	Increase in Street Naming and Numbering Fees	4,130
Exec	Community Strategy - Grants and Contributions	2,500
Exec	Emergency Planning - Professional Fees	10,000
All	Reduction in Pay Award	79,630
Resources	Increase in charges to the Housing Revenue Account	46,200
Resources	Lower External Audit fees	12,680
Resources	Business rates at industrial units	10,640
Resources	Cessation of Members' superannuation scheme	9,840
Resources	Premises budgets at industrial units	6,930
Resources	Travel tokens and taxi vouchers	4,000
Resources	Lower bank charges	3,450
Resources	Members subsistence and travel allowances	2,510
Resources	Reduction in costs of Staff Lease cars	40,340
Resources	Reduction in Hours in the Corporate Services Division	37,250
Resources	Superann provision not required (0.25%)	32,470
Resources	Carrying out work on the Rent Collection system for the HRA	16,830
Resources	CRM software	10,240
Resources	Reduction in Management Team Contingency	9,000
Resources	Telephone Maintenance	6,110
Resources	Significantly reduce outgoing post	5,000
Resources	Reduce provision for corporate & service specific training	4,000
Resources	Computer Audit fees	2,920
Resources	Reduction Legal Section books	2,000
Resources	Telephone Charges	2,000
Resources	Reduction in Professional Service budgets in Information Services	2,000
Resources	Additional Legal Fee income	1,000
Resources	Reductions in essential travel allowances	330
Resources	Reduction IT books	80
Corporate	Additional Business Rates	250,000
	OVERALL TOTAL	685,380

GENERAL FUND REVENUE ESTIMATES

YEAR ENDING 31 MARCH 2016

GRAND SUMMARY

GENERAL FUND REQUIREMENTS

Board	2014/2015	2015/2016
	Original Estimate £	Original Estimate £
Community and Environment Board	4,989,610.00	5,041,760.00
Executive Board	624,010.00	584,670.00
Planning & Development Board	453,730.00	311,880.00
Licensing Committee	2,440.00	(1,750.00)
Resources Board	3,413,550.00	3,638,550.00
Contingencies	119,320.00	58,990.00
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Requirements of Boards	9,602,660.00	9,634,100.00
Interest on investments	(100,000.00)	(100,000.00)
Financing Adjustment	(742,810.00)	(807,720.00)
Revenue Contributions to Capital Expenditure	119,000.00	119,000.00
Use of Balances	(595,460.00)	(594,090.00)
Grant payments to Parish Councils (CTS)	98,210.00	83,480.00
Revenue Support Grant	(1,963,180.00)	(1,401,920.00)
Business Rates	(15,967,260.00)	(16,272,360.00)
Business Rates – Tariffs	14,255,830.00	14,528,230.00
Additional Business Rates	-	(250,000.00)
New Homes Bonus	(514,490.00)	(703,660.00)
Special Grant	(44,850.00)	(45,000.00)
Surplus/(Deficit) on Collection Fund	(139,260.00)	(109,040.00)
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Council Tax Requirement (NWBC)	4,008,390.00	4,081,020.00
Special Items – Parish Precepts	868,560.98	881,423.10
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Council Tax Requirement (NWBC and Parishes)	4,876,950.98	4,962,443.10
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Introduction by the Deputy Chief Executive

Housing Revenue Account Budget

Introduction

The Council is required, by law, to operate a separate Housing Revenue Account (HRA) to record all of the costs and income related to the management of its housing stock and other related assets such as shops, garages and land. The HRA has to be self-financing and cannot budget for an overall loss.

As of 1st April 2015 the Council will own 2,701 houses, giving no change from April 2014. Although 20 properties were sold under the Right to Buy Scheme, 20 new properties have been built.

Revenue expenditure and income

The Council spends money on the strategic and operational management of its housing stock, insurance, tenant work and sheltered accommodation. It also spends money on day-to-day repairs and maintenance of its properties, and for 2015/16 it is estimated that the HRA will contribute £3.112 million to the Housing Repairs Fund. This type of expenditure is separate from that included in the Council's Capital Programme, designed to maintain the Housing Stock at the decent homes standard.

30 year HRA Business Plan

As management of the housing stock is a long term requirement, a business plan has been put together for 30 years, although expenditure in particular is difficult to predict so far in advance. This has been updated as part of the estimates process.

The expected position on the Housing Revenue Account at the end of the 30 years is a surplus of £59 million. This is after funding capital expenditure of £184 million, with in excess of £48 million of that funding set aside for new build schemes or other improvement schemes. Borrowing of £59 million will also have been repaid.

Surpluses can be used on the provision of new housing or increasing the standard of maintenance on the existing stock. However, the expected surplus of £59 million after 30 years is not excessive, given the possible impact of welfare reform on rent collection.

Income

The major source of income for the Housing Revenue Account is through rents received from tenants. The 2015/16 estimate for housing rent income is £11.892 million, an increase in income on the revised budget for 2014/15 of £250,490.

The CLG have changed government rent setting policy and are now recommending that all rents are increased by CPI plus 1% per annum. Adherence to the revised policy will mean that properties will no longer reach their target rents. The governments suggested way for local councils to achieve target rents is to increase the rent of each property to its target rent when the property becomes vacant.

The figures included are based on the changes recommended by the CLG. This gives an average rent increase of £2.13 per week (2.2%), although individual rent changes will vary from increases of £1.65 to £2.71 per week for 2015-16.

The impact of the new rent policy will be investigated further and the potential options and implications for the 30 year Business Plan will be considered at a future meeting of the Resources Board.

The Council also receives income from other sources including rent income from the letting of shops and garages and from service charges from former tenants who have bought 125-year leases on their properties.

The Council makes service charges to tenants who benefit from a window cleaning service and the cleaning of communal areas in blocks of flats. The charge for window cleaning ranges from £0.53 to £1.24 per week for 2015-16. The charge for communal cleaning is £1.83 per week for 2015/16.

The Council also generates investment income from the various reserves and funds it holds, and the HRA is paid a proportion of this income.

HRA Balances

The following section sets out the HRA budget for 2015/16, and shows that the forecast levels of expenditure incurred and income received during the year are anticipated to result in a small surplus of £40,690. Details of expenditure and income are shown on page 66.

The HRA is expected to generate a surplus in 2015-16 followed by a deficit each year between 2016/17 and 2018/19. The figures below set out the expected impact on the Housing Revenue Fund over this period.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
HRA Expenditure	11,736	12,325	12,851	13,170	13,624
Total Expenditure	11,736	12,325	12,851	13,170	13,624
Income	12,100	12,365	12,713	13,030	13,330
Total Income	12,100	12,365	12,713	13,030	13,330
Balances (surplus)/Deficit	(364)	(40)	138	(140)	(294)
Balance at 31 March	(1,755)	(1,795)	(1,657)	(1,517)	(1,223)

Capital Programme 2015/16 to 2017/18

Introduction

The Council owns and maintains a wide range of assets from Council Houses, Civic Buildings, Leisure Centres to Vehicles, Land and Computer Systems. In order to ensure that services continue to be provided in the most effective and appropriate manner for the people of North Warwickshire, the Council has to spend money on enhancing the existing assets that it owns, replacing those assets that have run past their economic usefulness and to acquire new assets.

However, when planning service requirements, the Council tries to look at not only what is required for the forthcoming year, but also for the subsequent two years and therefore sets a Three Year Capital Programme. This also enables the Council to determine the best way that the limited capital resources that are available can be used to meet the demands placed upon it in terms of Capital Investment.

The Council is permitted to borrow to fund capital expenditure, but no longer receives government support for any new borrowing. The Council has the ability to undertake unsupported borrowing and have forecast the use of this in order to fund the office accommodation project, the new Coleshill Leisure Centre build costs and the purchase of Refuse Vehicles from the vehicle renewal scheme.

The Council is able to fund housing capital spending from the revenue generated through the Housing 30 Year Business Plan.

Other sources of finance are required to enable the Council to fund the Capital Programme and we will continue to be dependent on the use of capital receipts from the sale of Council houses and land, together with external sources, notably Disabled Facility Grants for private sector housing.

The General Fund and the Housing Revenue Account will make annual contributions to the financing of capital expenditure. In addition to this, included within the General Fund projections are specific capital schemes which are funded from earmarked reserve contributions.

The forecast level of capital resources available to the Council over the next three financial years is £29.567 million as set out in the table below.

	2015/16 £'000	2016/17 £'000	2017/18 £'000
Resources Brought Forward	8,601		
Disabled Facilities Grant	296	296	296
Capital Receipts from Council House Sales	365	364	363
Revenue Contributions – General Fund	119	69	69
Revenue Contributions – HRA	4,494	4,939	5,058
Borrowing	1,912	348	-
New Build Fund	697	661	375
Use of Earmarked Reserves	113	66	66
Total	16,597	6,743	6,227

There are a number of capital schemes that are expected to be undertaken over future years, but which have not yet been included within the Councils Capital Programme, as the costs associated with these schemes have yet to be fully determined or the method of delivering these improvements has not been decided. For example, improvements to the Memorial Hall, implementation of the Green Space Strategy and refurbishment of the industrial units may all impact on the capital resources required.

In addition, as the table on the previous page shows, there remains a reliance on asset sales for funding the planned programme. In this instance there are Right To Buy Council House sales included within the resources total, of which has a degree of risk associated with it.

Taking these points into account, it is prudent to leave some resources unallocated to ensure that these areas can be addressed in the future. Over the 3 years, it is expected that a balance of £6.45m will be retained by 2017/18.

Formulating the Capital Programme

The capital schemes included in the approved capital programme have all been assessed against a range of criteria to ensure that the investment of the Council's capital resources is directed effectively to meet the Council's 10 Priorities.

Due to the shortage of resources, the other key issues are meeting statutory requirements and ensuring effective service delivery. The budget has been allocated to ensure that public buildings meet Equalities legislation, that electrical enhancements are carried out on council buildings to meet Health and Safety legislation, that computer and leisure equipment is replaced that will allow the Council to carry on providing its services to the same level and that some investment in the Borough Care programme is on going.

The Capital Programme for 2015/16 includes a number of schemes that were included in the 2014/15 Programme. This is generally because there is a continuous programme of works required, such as the Decent Homes Standard works, computer equipment replacement or electrical enhancements.

Future revenue implications that may arise from each of the schemes have been identified and are reflected in the General Fund revenue budgets. Additional revenue costs arising from the Capital Programme in relation to the loss of investment income are estimated to be £3,219 in 2015/16. This will decrease to £2,361 in 2016/17 and £2,371 for 2017/18. There will be additional costs from the loan repayments for the Accommodation Project, Vehicle Renewal Scheme and the replacement of Coleshill Leisure Centre. These are expected to be £239,510 in 2015/16, £134,320 in 2016/17 and £89,690 in 2017/18.

The figures included within the Capital Programme for 2015/16 do not include any slippage and therefore the approved programme is likely to be subject to revision early in the new financial year. This is because, by their very nature, capital projects sometimes overrun or do not progress as quickly as had been anticipated. Projects falling into this category will require resources included within the 2014/15 Capital Programme to be carried forward into the 2015/16 programme and Members will receive a report on this once the exact level of slippage has been established.

The Prudential Code

The Council needs to consider not only the affordability of its Capital Investment plans, but also prudence, sustainability, value for money, asset management planning, practicality and service objectives.

To demonstrate this, the Council has set a range of Prudential Indicators, which will be used to support capital investment decision-making, and to demonstrate that plans are affordable in both the short and long-term. There is a requirement for net borrowing in the medium-term to be for capital purposes only. Members approved the Prudential Indicators for the Council at the meeting of full council held on 25th February 2015. The indicators approved at that meeting are set out in summary overleaf.

Council's are free to borrow, but within levels which are affordable, sustainable and prudent. In summary any decision the Council takes in respect of additional borrowing has to be taken with reference to the impact on Council Tax and Housing Rent payers.