

Section 3

Chief Finance Officer's Statutory Report

Local Government Act 2003: Section 25 Report by the Chief Finance Officer

Introduction

1. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer must report to it on the following matters:
 - The robustness of the estimates made for the purposes of the (budget requirement) calculations
 - The adequacy of the proposed financial reserves
2. The Council is required to have due regard to this report when making decisions on the budget. The law expects Councillors to consider this advice and not set it aside lightly.
3. In expressing my opinion, I have considered the financial management arrangements and control frameworks that are in place, the budget assumptions, the adequacy of the Service & Resource Planning process, the financial risks facing the Council and the level of total reserves.
4. The report is the culmination of the Service & Resource Planning process, which commenced in April 2015 following the national budget in March 2015. Through this process, detailed work has taken place with Councillors, the County Council Management Team (CCMT) and Deputy Directors.
5. Section 25 of the Local Government Act 2003 concentrates primarily on the uncertainty within the budget year (i.e. 2016/17) rather than the greater uncertainties in future years. However, future uncertainties, particularly around the continuing reductions in funding beyond 2016/17 and the increasing pressures in demand driven services also inform the need for reserves and balances in the medium term.

Financial management arrangements and control frameworks

6. The Council received an unqualified opinion on both the accounts for the Authority and the Pension Fund for 2014/15. In respect of securing value for money, the conclusions are based on whether the organisation has proper arrangements in place for securing financial resilience and for challenging how it secures economy efficiency and effectiveness. The Council received an unqualified value for money conclusion for 2014/15. However, a significant risk was identified in relation to arrangements for securing financial resilience. The annual audit letter stated 'We have reviewed the process that the Council has in place for preparing and monitoring budgets and the action taken by the

Council during 2014/15. Our conclusion is that the Council has taken steps to close the gap in the current year and has clear plans for the coming year or two, however there are continuing financial pressures and the Council needs to take action to ensure that the financial position is manageable in the coming years’.

7. The Council has strong governance arrangements in place and a robust assurance process that requires a statement at the year-end from the ‘corporate lead officer’ for various key control areas. The Chief Finance Officer has responsibility for ensuring that an effective system of internal control is maintained to provide an assessment of the current position across the whole council and identifying areas for improvement where appropriate. Areas for improvement are reported to Audit & Governance Committee and monitored in year through the Corporate Governance Assurance Group.
8. All Officers and Members are required to work within an embedded framework of pre-existing financial management arrangements and structures. The Council has a robust system of budget monitoring and control and the Council’s track record for budget management over recent years has been good. The delivery of SAP, operational finance and HR transferred to Hampshire County Council in July 2015. This has led to a period of transition and stabilisation as the new processes become embedded.

Budget Assumptions

9. The formation of the 2016/17 budget and indicative budgets for the following three years to 2019/20 have allowed for best estimates of the total financial envelope over the medium term taking into account anticipated unavoidable pressures and the savings then required to match the funding available. In forming the estimates various assumptions have been made. The main assumptions together with an assessment of their risk are set out below:
 - a) Government grant – provisional levels of revenue support grant and business rates top-up grant up to 2019/20 were published alongside the draft Local Government Finance Settlement on 17 December 2015. The provisional figures reduce revenue support grant to zero by 2019/20 and reduce the top-up grant by £6.2m in 2019/20. In accepting the government’s offer of a four-year settlement, authorities are required to publish an efficiency plan details of which are still to be announced. At the time of writing this report, the final Local Government Finance Settlement had not been published. If there is a significant change to funding compared to the draft, I will issue a further Section 25 report ahead of the Council meeting on 16 February 2016.
 - b) Council Tax – an increase in Council Tax of 3.99% is proposed for 2016/17 through to 2019/20 within the referendum limits confirmed by the Local Government Minister as part of the provisional Local Government Finance

Settlement announced in December 2015. This increase comprises a 1.99% general increase and 2.00% for social care.

- c) Non-Domestic Rates – business rates income for 2016/17 is based on the forecasts provided by the District Councils, with future years assuming growth in line with RPI. This is a cautious assumption given the expected growth in Oxfordshire, particularly when the Westgate redevelopment opens in autumn 2017. The 2016/17 budget takes account of a £1.8m deficit on collection for 2015/16. This is the third year of the operation of the business rates retention scheme and each year has seen a deficit on collection particularly linked to the impact of appeals. A new reserve with an annual contribution of £0.5m was created in 2015/16 to cushion the impact of collection fund deficits. This will contribute to the shortfall in 2016/17, lessening the one-off impact on the budget. However, based on experience to date and the current risk that NHS Trusts could be eligible for mandatory business rates relief, the level of reserves held to manage the volatility of business rates will need to be reviewed next year.
- d) Council Tax base & surpluses/deficit on collection – the new core spending definition set out as part of the provisional Local Government Finance Settlement includes assumptions for the four years to 2019/20 on both council tax rate increases and also increases in the taxbase. The assumptions include an annual increase in taxbase of 1.63%. Whilst this is higher than the 1.0% in the existing MTFP, it is in line with the average increase over the last three years and substantial house growth is expected to continue over the medium term. Surpluses on Council Tax collection have been high in recent years and have not been less than £4m since 2011/12. The existing MTFP assumes £3.0m per year from collection fund surpluses and it is proposed to increase this to £4.0m per year. The actual figure for 2016/17 is £7.0m.
- e) Inflation – pay inflation for 2016/17 has been agreed locally and reflects the national pay offer of 1%. In line with the Chancellor's announcement in the Spending Review in November 2015 that average public sector, pay increase up to 2019/20 would be 1%, a 1% increase is assumed across the MTFP. Additional funding has also been built into the MTFP for the impact on pay for council employees of the national living wage (also see Paragraph15(d)). Inflation on income from fees and charges is assumed at 2% in each year of the MTFP. General inflation on non-pay budgets has been assumed as zero in each year of the MTFP continuing with the approach introduced in 2013/14. Inflation has remained low over the past year and is not expected to rise quickly. In December 2015, RPI and CPI were at 1.2% and 0.2% respectively. CPI inflation is not expected to hit the government's target of 2% until early 2018. Given this forecast, there is limited risk of inflationary pressures in the 2016/17 budget. Contract inflation is provided for, dependent on the index applied to the contract up to a maximum of 3%. As inflation is expected to be

lower over the medium term, the maximum increases in 2016/17 and 2017/18 have been reduced.

- f) Interest Rates – all existing debt is under fixed interest rates so is not subject to interest rate variation and the MTFP assumes an extension of the strategy to borrow internally for prudential borrowing schemes. Prudent returns of 0.3% above the Bank Rate are assumed for 2016/17 beyond which returns diminish to 0.2% in 2017/18 and 0.1% in 2018/19 and 2019/20. This reflects the consequence that as longer term deposits with higher rates mature, the average rate of return will reduce. With the expectation of a slow increase in the Bank Rate from some time towards the end of 2016 or early 2017, new deposits will be for a shorter duration.
- g) Capital Programme – the four-year capital programme has been developed based on estimates of future capital funding allocations from government grants in addition to use of reserves, capital receipts and S106 funding. At the time of writing this report, we were still waiting for confirmation of the School Condition allocations for 2016/17. The remaining funding gap in the capital programme arising from lower than expected basic need allocations for 2017/18 has been met as the allocation for 2017/18 announced by the Department for Education in February 2015 was significantly higher than forecast.

Service & Resource Planning Process

- 10. The Service & Resource planning process is well established. Due to the announcements made in the national budget in March 2015, the outcome of the General Election in May 2015 and the subsequent national budget in July 2015, followed by the Spending Review in November 2015, the process this year started earlier and has been longer than usual. However, it was not until the provisional Local Government Finance Settlement was announced on 17 December 2015, did the Council have any firm government grant figures, only eight weeks ahead of setting the budget. This would not usually be a significant issue, however the methodology used to distribute Revenue Support Grant and Business Rates Top-Up Grant was changed without prior warning leading to an additional reduction in funding of £22m over the medium term to 2019/20 on top of the worst case planning assumption of £47m¹ over the same period.
- 11. Given the need to make significant additional savings only became apparent in late December 2015, my advice has been to balance the budget in 2016/17 predominantly using one-off funding (including reserves) and bringing forward savings or delaying pressures. Savings of £11.2m still need to be identified in 2017/18 and 2018/19 to present a balanced position over the medium term. However, it would not have been prudent to propose further significant

¹ Total additional savings of £69m as per report to Cabinet in January 2016

savings without proper financial planning and consultation, therefore, recommendations for meeting the £11.2m will be brought forward to Cabinet in late spring and amendments to the MTFP will then be proposed to Council in the early summer 2016.

12. As it was anticipated that the Spending Review and provisional Local Government Finance Settlement would be late in the planning round, the decision was taken to consult on savings options totalling just over £50m before knowing the total savings that would need to be made. The consultation was launched in October 2015 and was supported by a series of public meetings, Talking Oxfordshire. There was also a stakeholder event to focus on rural issues.
13. There were a number of opportunities for councillors to engage and challenge the savings through a series of Challenge Sessions in October, all member presentations on the budget and savings options in September and November, and in December ahead of a full day consideration of the savings options at Performance Scrutiny Committee on 17 December. Regular updates were also provided to the Political Group Leaders meetings. These opportunities have provided an increased level of challenge on the savings proposals providing a reasonable assurance of their robustness.
14. Examination of the budget proposals through the Service & Resource Planning process has led to a number of refinements and either business cases or supporting information provide assurance about the robustness of the estimates. Scrutiny of the budget savings has also been considered from an equalities perspective.

Financial Risks

15. Given the reductions in government grant funding, the limitation on the level of Council Tax increases, the growing unavoidable pressures and the scale of savings required, the budget will inevitably contain a degree of risk. The key risks include:
 - a) Achievement of savings plan – the Council has a good track record of successfully delivering significant savings, having achieved £204m savings by the end of 2014/15. Further savings of £43m planned to be delivered in 2015/16 taking the total savings achieved to £247m. Of the £43m savings required in 2015/16, as at the end of December 2015, 95% or £40.7m had been achieved or were on track to be achieved. However, with additional savings of £45m already in the MTFP to be achieved over the next two years to 2017/18, along with new savings of £58m and a further £11m still to be identified, delivering the savings will become more challenging. There is only £2.7m in the Efficiency Reserve to pay for redundancies and for the costs of transformation. There is a risk, if these costs cannot be met from within

existing budgets that they will need to be the first call against the savings, pushing back the timing of achieving the savings. The Delivery Board, chaired by the Cabinet Member for Finance, which was established towards the end of 2015, has responsibility for driving the delivery of savings in the MTFP and tracks progress on a monthly basis.

- b) Demand led pressures – There are some budgets where client numbers for statutory services are notoriously difficult to control and where a degree of judgment has to be applied to estimate the level of risk to the budget. We have seen a significant increase in demand in both children's and adults' social care over the last few years. An additional £7.4m was built into the children's social care budget from 2015/16 and appears to be sufficient to meet current demand. However, if demand rises further, there may not be sufficient resources. At the end of March 2015, there were 527 looked after children, an increase of 111 (27%) from April 2013. At 31 December 2015, the number had increased to an all-time high of 606. Whilst additional funding for agency placements was built into the budget from 2015/16, no extra funding was allocated to reflect the increase in workloads associated with general rise in the number children requiring services from children's social care. In particular, there has been a need for more support around child protection conferences, the multi-agency safeguarding hub the referral and assessment service and family support. £2.0m of additional funding for staffing has been built into the budget from 2016/17 to reflect the additional workloads.

In relation to adult social care, client numbers increased significantly over the period 2011 to 2015, with an increase of 94% in the number of people receiving home care. Demographic increases are built into the budget each year and client numbers during 2015/16 appear to be in line with expectations. There is the risk that demand starts to rise at a faster rate than assumed again and this will put pressure on the adult social care budget.

Recently there has also been a significant increase in demand in services for children with special educational needs and disabilities. The cost of most services is met from the Dedicated Schools Grant, which is forecasting to overspend by £0.9m due to significant increases in the number of out of county placements and statementing requirements. In relation to special educational needs home to school transport, there is also a combination of growth in the demand for services and the net increase in the number of contracts and more single passenger journeys, which have increased on average the cost per passenger. Whilst additional funding of £1.4m has been built into the budget for 2016/17, savings of £2.1m are required in 2016/17 from the supported transport project, which will include savings on home to school transport. There is a risk therefore, that the budget could overspend despite the additional funding.

- c) Specific grants for 2016/17 not yet confirmed – at the time of writing this report, £34.5m of specific grants for 2016/17 had not been confirmed. These include Public Health, the Independent Living Fund and Special Educational Needs & Disabilities. There is a risk that once confirmed; they are less than currently expected. In addition as set out in paragraph 9(g), the School Condition allocation has not been confirmed either.

- d) National Living Wage – There is a significant risk on contract cost increases linked to the implementation of the national living wage. It is difficult to forecast what the impact will be on the price of contracts particularly those that are predominantly staff based such as social care. Modelling suggests that the costs in 2016/17 alone will be in the range of £4.5m to £13.0m. Some account of the risk is reflected in the level of balances held for 2016/17. Over the medium term, assuming the government continues to increase the national living wage to its target of £9.20 by 2020, the range of costs is estimated to be between £18.0m and £52.0m. There is also likely to be an impact in terms of pay differentials. As the national living wage increases, the pay rates just above this will need to increase to keep them in proportion. This will then affect the pay rates further up the scale. Furthermore, an indirect impact could be seen as employees across Oxfordshire push up wages to secure employees in an economy with almost no unemployment. This means that for adult social care providers (and other relevant providers to local government) they will have to match at least the pay rate offered in other sectors, irrespective of the national living wage, to secure staff. It is not possible to quantify what this might mean in terms of additional cost, but there is a real risk of spiraling pay increases.

- e) Implications of proposed Health and Social Care devolution – Oxfordshire submitted an expression of interest to government on a devolution proposal in September 2015. A more detailed proposal is due to be submitted imminently. In terms of risk (and potential reward), the integration of Health and Social Care is the most complex strand. The proposal for the first phase is to pool all adults' social care commissioning budgets with the clinical commissioning group's commissioning budgets via an expanded section 75 arrangement under the guidance of the Health & Wellbeing Board. This will require a risk share agreement and covering funding sources, duration of funding agreements, guarantees, arbitration and dispute resolution amongst other things. Linked to this, there remains a possible risk about the Better Care Fund as the CCG contribute £8m to adult social care (as well as £1.4m for the Care Act) and at the time of writing this report neither the guidance or the 2016/17 allocation to the CCG had been announced.

- f) EU Referendum - a referendum on whether the UK should remain in the EU is planned before the end of 2017, current suggestions are that it will be as soon as June 2016. The economic impact of Britain exiting the EU is difficult to

determine, as it will depend on a number of decisions being made in the UK and Europe. This includes whether the EU itself will embrace reform and whether UK politicians and voters are willing to push Britain into the deregulated, free trading economy it would need to become outside the EU. In addition to impacts on growth and trade, there are also implications for immigration and jobs. The impact currently being seen is uncertainty in the financial markets and businesses, which will become increasingly acute as we move towards the date of the referendum.

- g) Capacity to deliver – since April 2010 the number of staff employed by the council (excluding schools) has reduced by 42%. Delivering the savings required will be difficult in terms of capacity particularly as the plans are more complex and ambitious.
- h) Increased cost of delivering capital schemes – due to increased house growth and significant infrastructure schemes being delivered across the country, such as the Local Growth Fund, there is a risk that prices for capital schemes could increase linked to the supply of materials and labour and the number of contractors available to deliver schemes.
- i) Market Failure –with an increasing amount of work being undertaken either in partnership or through contracts, the financial resilience of providers becomes increasingly important, as does business continuity planning. The economic uncertainty in Europe, the low inflation outlook in the UK and the impact of the national living wage could put increasing pressure on companies remaining viable.
- j) Borrowing undertaken on behalf of Oxfordshire Local Enterprise Partnership (OxLEP) – part of the City Deal agreement with central government is to deliver £36.5m of infrastructure schemes using growth in business rate yield from the Science Vale Enterprise Zone. As the accountable body for OxLEP, the council will need to borrow from the PWLB², (probably in 2017/18) when the majority of capital expenditure is incurred and repay the loan (principal and interest) from annual business rate income³. However, there is a risk that income from business rate growth is not sufficient to meet the cost of the loan repayments and if this happens, the council will need to bear the cost until business rate income is sufficient to meet the cost of the repayments.

Level of total reserves

16. As well as holding a contingency budget to enable those more volatile budgets to be managed, general balances are also held to ensure that a major incident or emergency can be managed without impacting on other services. In reaching a decision on the level of balances I feel are appropriate

² Public Works Loan Board (or its replacement body)

³ above the baseline at the date of creation of the enterprise zone in 2011

to be held for 2016/17, I have considered the strategic, operational and financial risks facing the authority including the ability to deliver planned savings, as well as external risks such as the impact of flooding. The recommended level of balances for 2016/17, based on the risk assessment included in Section 4.6.1 of this report, is £17.6m.

17. A further consideration in setting a prudent level of balances and setting a robust budget is the underlying trend of under/over spending against the budget each year. As budgets are reduced more and more, the flexibility to manage pressures arising in one area against underspends elsewhere becomes increasingly more difficult. Although there was an overall underspend of £0.2m in 2014/15, contained within that were underlying overspends in children's social care and learning disabilities met by supplementary estimates, corporate contingency and use of reserves. The underlying pressures were addressed as part of the 2015/16 budget, and appear to be sufficient to meet the rising demand (see paragraph 15(b)).
18. The Financial Monitoring report for Cabinet in February 2016 sets out a forecast overspend, based on nine months of actual expenditure of £4.1m, after £0.8m use of unrequired one-off income in adult social care. The underlying overspend therefore is £4.9m, reduced from a high back in July of £6.1m. The overspend reflects increased workloads associated with the growth in the number of children requiring services from Children's Social Care and both an increase in demand and an increase in cost of special educational needs home to school transport. It is expected that further action, including the impact of the vacancy freeze from December 2015 will reduce the forecast overspend further by the end of the 2015/16 financial year. However, it will not mitigate the position in full and use of the corporate contingency as well as further requests for supplementary estimates are likely to be needed to meet the remaining pressures.
19. Earmarked reserves are also held for specific planned purposes. They fall into several categories; those retained for departmental or service use; reserves for unspent grants; insurance and capital reserves and schools balances.
20. In assessing the appropriate level of reserves, a review is undertaken annually to determine if they are both adequate and necessary. With the late announcement of further significant funding reductions, £3.5m of earmarked reserves are being used to balance the budget in 2016/17. At the end of 2014/15, earmarked reserves were £90m (excluding school reserves). By the end of 2015/16, they are estimated to reduce to £74m; to £46m by the end of 2016/17; and to reduce steadily to £26m by 2019/20.
21. School reserves are expected to be marginally lower at the end of 2015/16 than they were at the end of 2014/15. At the point of conversion from a

maintained school to an academy, any balances also transfer reducing further the amount held by the council. Schools balances are projected to fall from £22m at the end of 2014/15 to £21m by the end of 2015/16, then reduce steadily to £10m by 2019/20. The expected level of reserves remaining by 2019/20 is adequate for the purposes intended although there is little funding set aside to manage some of the significant change programmes required to meet the savings over the medium term.

22. The Budget Reserve enables cash flow movements to be managed over the medium term and ensure the Council can set a balanced budget each year. This need arises as the pressures and savings profile is different over the medium term. The existing MTFP assumed a deficit on the reserve of £6.0m for 2016/17, which needed to be addressed as part of the Service & Resource Planning process. Due to the better than expected outturn position for 2014/15, additional funding was added to the reserve so the deficit at the beginning of 2016/17 would be £2.3m. My report to Cabinet in January 2016 set out that any balance remaining from corporate contingency in 2015/16 would be added to the budget reserve in order to return it to a surplus position. In January, it was estimated that £3.1m of the corporate contingency would be available and £0.7m from a planned contribution to the insurance reserve that is no longer required. The budget proposals require a contribution from the reserve of £0.7m in 2016/17. Taking these into account, the reserve is expected to be in surplus by £0.8m for 2016/17. There will be £7.9m available in the reserve in 2017/18, but this will need to be reviewed in light of the further savings of £11.2m required in 2017/18 and 2018/19.

Robustness of the budget

23. The proposed budget and Medium Term Financial Plan addresses the demand pressures that are expected to continue into the medium term. It includes estimated reductions in funding to 2019/20 and sets out a plan to ensure that the Council can deliver the 2016/17 budget within estimated available resources.
24. The delay in the publication of the final Local Government Finance Settlement means that over £110m of government funding for 2016/17 is still to be confirmed. The settlement is expected early in the week commencing 8 February, only a week before Council meets to set the budget and after the date required by law to publish the papers. My commentary on the robustness of the estimates is therefore based on the provisional Local Government Finance Settlement and estimates of specific grants where they have not been confirmed.
25. As set out in paragraph 11, savings of £11.2m still need to be identified in 2017/18 and 2018/19 to present a balanced position over the medium term. Recommendations for meeting these need to be brought forward as soon as

possible so they can be considered by Cabinet ahead of an amended MTFP being proposed to Council. Any service changes that follow from meeting these further savings will need to be followed by a period of consultation, and an assessment of their impact, before Cabinet's final approval.

26. There is limited funding set aside to manage some of the significant change programmes required to meet the savings over the medium term and this could delay the achievement of some savings. The savings plan will therefore require close monitoring to ensure it is delivered on time. Overall, the budget and MTFP set a clear direction for the future and places the Council in a sensible position to meet the challenges ahead.
27. There are risks in the budget largely in relation to certain demand led budgets such as children's social care and home to school transport, both of which are under significant pressure in the current financial year. There is also a range of pressures and uncertainties in adult social care, particularly in relation to the impact of the national living wage. To help mitigate these risks, a contingency budget of £3.3m (0.6% of the gross budget excluding schools), has been built into 2016/17, which will provide some degree of a safety net. With ever tightening resources, there is more risk in the budget for 2017/18 and beyond and this will need to be reviewed as part of the next Service & Resource Planning process.
28. The level of the Council's total reserves is sufficient to provide both general balances to manage the impact of unexpected events in line with the risk assessment; and the setting aside of earmarked reserves to meet known or anticipated liabilities.
29. Therefore, subject to any changes to funding as part of the Final Local Government Finance Settlement, I am satisfied that the budget proposals for 2016/17 recommended by the Cabinet are substantively robust.

Lorna Baxter
Chief Finance Officer

5 February 2015

Local Government Act 2003: Section 25 Supplementary Report by Chief Finance Officer

Introduction

1. My report on the robustness of the budget proposals for 2016/17 recommended by the Cabinet was written prior to the publication of the Final Local Government Finance Settlement. My report stated that if there was a significant change to funding compared to the draft, I would issue a supplementary report.
2. In making decisions on the budget, Councillors should take into consideration both my initial report and this supplementary report.

Final Local Government Finance Settlement

3. The Final Local Government Finance Settlement was published at 6pm on Tuesday 8 February 2016, following the announcement by the Secretary of State for Communities and Local Government in the House of Commons.
4. No changes have been made to Revenue Support Grant (RSG) allocations from those published at the time of the provisional settlement. However, £150m Transitional Funding in both 2016/17 and 2017/18 has been made available "for councils with the sharpest reductions in Revenue Support Grant". Oxfordshire will receive £4.5m in both 2016/17 and 2017/18 from this transitional funding.
5. As the funding is only temporary, it has no impact on the total level of on-going savings required over the medium term. The savings proposed by Cabinet are still required to be made in full and there remains £11.3m of savings still to be identified over the Medium Term Financial Plan period. However, it does provide some one-off funding to help with delivering the savings and the Cabinet is proposing a Community Fund of £4.0m in 2016/17 to help local areas manage the impact of savings.
6. The additional one-off funding in 2016/17 also means that the £0.7m proposed contribution from the Budget Reserve to balance the budget will no longer be needed. This will result in the reserve being in surplus by £1.5m in 2016/17 and provides more flexibility in managing the cash flow movements (due to the timing of pressures and savings) in future years.
7. The further £4.5m of funding in 2017/18 enables some of the savings still to be identified to be deferred by a year. This gives more time to plan for and implement new savings proposals. The savings still to be identified will reduce from £10.0m to £6.3m in 2017/18 and then increase from £1.7m to £6.2m in 2018/19 with a surplus of £1.2m remaining unchanged in 2019/20. Over the medium term, the total savings still to be identified therefore remains at £11.3m.

Supplementary Section 3

8. At the time of writing this supplementary report, specific grant allocations for Public Health, Local Reform & Community Voices, Extended Rights to Free Travel and School Condition Allocations (capital) had still not been announced.

Robustness of the budget

9. The transitional funding announced as part of the Final Local Government Finance Settlement will reduce some of the risk in delivering both the savings which are proposed and those which still need to be identified.
10. I am still satisfied that the budget proposals for 2016/17 recommended by the Cabinet are substantively robust.

Lorna Baxter
Chief Finance Officer

10 February 2016