

Subject:	COUNCIL BUDGET 2016/17 AND MEDIUM TERM FINANCIAL PLAN 2016/17 – 2019/20
Meeting and Date:	Cabinet – 29 February 2016 Council – 2 March 2016
Report of:	Mike Davis, Director of Finance, Housing and Community
Portfolio Holder:	Councillor Michael Connolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Key
Classification:	Unrestricted
Purpose of the report:	To seek approval for the 2016/17 budget and the Medium Term Financial Plan (MTFP) for 2016/17 – 2019/20.
Recommendation:	<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> • Approve the grants to other organisations as set out in Annex 11 subject to Council approving the 2016/17 budget; • Approve the various Cabinet recommendations produced at the end of the sections within the attached budget and MTFP, and summarised in Annex 14 to Appendix 1. <p>It is recommended that Cabinet recommends to Council:</p> <ul style="list-style-type: none"> • That the General Fund Revenue Budget, the Capital and Special Projects Programmes, the Housing Revenue Account Budget, the Council Tax Resolution and the content of the MTFP be approved; • To note that it is the view of the Director of Finance, Housing & Community (Section 151 Officer) that the budget has been prepared in an appropriate and prudent manner and that based upon the information available at the time of producing this report¹ the 2016/17 estimates are robust and the resources are adequate for the Council's current spending plans in 2016/17; • That the various Council recommendations at the end of the sections within the attached budget and MTFP, and summarised in Annex 14 to Appendix 1, are approved.

1. Summary

- 1.1 This report has been produced to seek approval for the 2016/17 budget and the MTFP for 2016/17 – 2019/20.
- 1.2 If approved by Cabinet, the budget will be presented to Council, together with the resolution to set the Council Tax.

¹ The funding position is based on the draft settlement received from Government in December 2015 and the NDR1 return submitted on 29th January, 2016. A more comprehensive statement of the position and the changes in Business rates is provided in Appendix 1.

- 1.3 The MTFP also contains a number of other recommendations. These are shown at the end of the sections within the MTFP and summarised at Annex 14.

2. Introduction and Background

- 2.1 As part of its financial management process the Council is required to consider the MTFP and its implications for the Council's service objectives and financial management. The Director of Finance, Housing and Community (Section 151 Officer) is required to comment on the robustness of the budget and the adequacy of the reserves. These requirements are addressed in the attached budget and MTFP report.

General Fund Budget

- 2.2 The Council is required to approve a General Fund revenue budget having regard to net expenditure requirements, Government funding, available internal reserves and the yield from Council Tax.
- 2.3 The Council has discretion over allocation of resources to service priorities and its use of reserves, and can determine its Council Tax within the constraints as set by Government. The Council has no influence over the level of Government funding, but must have due regard to the capacity to set viable budgets in ensuing years.

Future Budgets

- 2.4 With regard to the rest of the MTFP, because this is a planning document, adoption of the MTFP does not commit the Council to the forecasts for 2017/18 - 2019/20. These are for planning purposes and are likely to be adjusted in the light of new information or changes in the Council's circumstances.

Changes to the Budget and MTFP

- 2.5 Since presentation to Cabinet the General Fund forecasts for 2015/16 has been updated to reflect changes identified in the December budget monitoring report. Some minor changes have also been made to the 2016/17 budget to reflect the completion of the 2016/17 NDR1 Return, submitted on 29th January 2016. These changes are included in the General Fund section and associated Annexes.
- 2.6 Other amendments made to the report include:
- All precepts have been received and the 2016/17 Council Tax Resolution has been completed and included;
 - The housing rents have been amended slightly to reflect the exclusion of sheltered housing properties from the 1% rent decrease;
 - The Treasury Management Strategy has been included; and
 - An Income & Expenditure Account and a Movement in Reserves Statement have been added to reflect the statutory format required for the Statement of Accounts.

3. Identification of Options

- 3.1 The Council is required to set a budget, and so declining to do so is not an option. Members could choose to change the allocation of resources between services, and that option remains open during the financial year.
- 3.2 Members could also decide to set a different Council Tax level. However consideration should be given to the risk and impact of triggering a Council Tax Referendum if a high level of Council Tax was proposed, or how any proposals to reduce the level would be financed in 2016/17 and future years, while ensuring the budget remains robust and reserves sufficient.

4. Resource Implications

- 4.1 The revenue budgets and capital plans determine the level of Council Tax and the utilisation of resources for the next year. The MTFP is a key element in the prudent use of resources over the medium term.

5. Corporate Implications

- 5.1 Comment from the Section 151 Officer: No further comments to add.
- 5.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 5.3 Comment from the Equalities Officer: 'This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.'

6. Appendices

Appendix 1 – Budget for 2016/17 and Medium Term Financial Plan 2016/17-2019/20

7. Background Papers

Budget 2016/17 and Medium Term Financial Plan 2016/17 – 2019/20 (Cabinet 1 Feb 2015)

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