
Subject:	COUNCIL BUDGET 2018/19 AND MEDIUM-TERM FINANCIAL PLAN 2018/19–2021/22
Meeting and Date:	Cabinet – 5 March 2018 Council – 7 March 2018
Report of:	Mike Davis, Director of Finance, Housing and Community
Portfolio Holder:	Councillor Michael Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To seek approval for the 2018/19 budget and the Medium Term Financial Plan (MTFP) for 2018/19–2021/22. To set the Council Tax for 2018/2019.

Recommendation: It is recommended that Cabinet:

- Approve the grants to other organisations as set out in Annex 11 subject to Council approving the 2018/19 budget;
- Approve the various Cabinet recommendations produced at the end of the sections within the attached budget and MTFP, and summarised in Annex 12 to Appendix 1.

It is recommended that Cabinet recommends to Council:

- 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 report the 2018/19 estimates are robust and the resources are adequate for the Council's current spending plans in 2018/19;
- That the various Council recommendations at the end of the sections within the attached budget and MTFP, and summarised in Annex 12 to Appendix 1, are approved.

1. Summary

- 1.1 This report has been produced to seek approval for the 2018/19 budget and the MTFP for 2018/19 – 2021/22.
- 1.2 If approved by Cabinet, the budget will be presented to Council, together with the resolution to set the Council Tax.
- 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 12.

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 2019/20 - 2021/22. 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 following changes have been made to the report to reflect information that has subsequently become available:
 - General Fund:
 - Annex 1 and 4 – NDR elements of the “Financed by” section updated to reflect the completion of the 2018/19 NDR1 Return, submitted on 29th January 2018;
 - Annex 1 and 4 – Net expenditure section updated to reflect creation of Enforcement Hub and other minor changes;
 - Annex 1 – Contribution to/from reserves updated to reflect the impact of the NDR changes above;
 - Associated changes to the introduction and General Fund sections.
 - Housing Revenue Account:
 - Housing Initiatives Reserve balances added;
 - East Kent Housing and Single System section added.
 - Capital Programme
 - Bus Rapid Transport project added to reflect £15.8m Housing Initiatives Fund grant received;
 - Risk section updated to include references to New Homes Bonus and the East Kent Housing Single System;
 - Precepts have been received and the 2018/19 Council Tax Resolution has been completed and included;
 - Treasury Management Strategy included.

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 higher level of Council Tax was proposed, or how any proposals to reduce the level would be financed in 2018/19 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 equality implications, however in discharging their responsibilities members are required to comply with the public sector equality 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 2018/19 and Medium Term Financial Plan 2018/19-2021/22

7. **Background Papers**

Budget 2018/19 and Medium-Term Financial Plan 2018/19-2021/22 (Cabinet 6 Feb 2018)

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