

Cherwell District Council

Budget Planning Committee

17 January 2017

<p>Medium Term Revenue Plan and draft 2017/18 Revenue and Capital Budgets</p>
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Report of the Chief Finance Officer

This report is public
Appendices 1, 2, 3 and 4 to this report are exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972

Purpose of report

To set out the Medium Term Revenue Plan including the Revenue and Capital budget proposals for the Committee to consider and recommend to Executive.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider and recommend the Medium Term Revenue Plan (MTRP) set out in Appendix 1 to Executive and then Full Council in February.
- 1.2 To consider and recommend the 2017/18 draft revenue budget set out in Appendix 2 to Executive and then Full Council in February.
- 1.3 To consider and recommend the 2017/18 capital programme set out in Appendix 3 to Executive and then Full Council in February.
- 1.4 To consider and recommend the list of reserves set out in Appendix 4 to Executive and then Full Council in February.
- 1.5 To consider and recommend to Executive the level of Council Tax increase for 2017/18 before this is formally approved by Full Council in February.

2.0 Introduction

- 2.1 This report sets out the latest position on the 2017/18 revenue and capital budgets and reserves for Cherwell District Council based on the information currently available. The budgets will be considered by Executive at its meeting of the 6 February and by Full Council at its meeting on the 20 February.

- 2.2 The report sets out the current position for the budget following the provisional local government finance settlement announced in December 2016, and previous reports to this Committee.
- 2.3 The Council's efficiency plan was accepted by the Government and the figures for grant, business rates and new homes bonus are in line with the four year settlement originally proposed in December 2015. Whilst the final settlement is not expected until the end of January, it is not anticipated that there will be a significant change to the funding previously announced.

3.0 Report Details

- 3.1 The 2017/18 budget is being developed within the context of the Government's austerity programme. This is a continuation of recent government policy with reductions in government grant support for local authorities. There will be a presentation to the Committee updating the Council's MTRP in light of the provisional settlement and significant changes in the budget for 2017/18. **(Exempt)**.
- 3.2 Throughout the autumn, officers have been preparing the budget in line with the guidelines approved by this Committee in September 2016. Taking account of the guidance and the impact of the settlement, the draft revenue budget 2017/18 is set out in **Appendix 1 (Exempt)**.
- 3.3 The draft budget assumes no increase in Council Tax for 2017/18. The settlement indicated that the referendum threshold would remain at the higher of a 2% or £5 Council Tax increase. If agreed, this will be the 8th year that Cherwell District Council has proposed a Council Tax freeze.
- 3.4 Following on from the settlement and the calculation of the budget for 2017/18, work is ongoing to refresh the MTRP and to establish the position for 2018/19 and beyond. This will look at the current assumptions, the impact of the settlement, the move towards full business rates retention, removal of the Revenue Support Grant and changes to New Homes Bonus. The MTRP is set out at **Appendix 2 (Exempt)** and will be refreshed throughout 2017 and the five year forecasts will be presented to this Committee.
- 3.5 The Committee considered capital bids put forward by officers at its meeting on 29 November 2016. The draft capital programme, which includes and highlights, all of the new bids is attached at **Appendix 3 (Exempt)** for Budget Planning Committee to endorse before going to Executive for formal consideration.
- 3.6 The Committee reviews reserves as part of the budget monitoring process, the impact, on reserves, of the proposed budget are shown at **Appendix 4 (Exempt)**. The proposed use of existing earmarked reserves and contributions to reserves are highlighted in the appendix.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The above position outlines a balanced budget for the Council for 2017/18. There is some additional work to be completed on the budget particularly as further detail becomes known but it is not expected that the overall position will change

dramatically. The Committee is asked at this stage to consider the report as it presents the budget.

5.0 Consultation

There is a requirement to consult on the draft budget and this consultation will take place as part of the budget setting process.

Councillor Atack, Lead member with responsibility for Financial Management has been consulted

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

The setting of the budget is a requirement and will need to be approved by Council at its meeting in February.

7.0 Implications

Financial and Resource Implications

7.1 These are contained within the report.

Comments checked by:
George Hill, Corporate Finance Manager
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Legal Implications

7.2 There are none arising from this report.

Comments checked by:
Kevin Lane, Head of Law and Governance, 0300 0030107
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Risk Management

7.3 The position to date highlights the relevance of maintaining a minimum level of reserves and budget contingency to absorb the financial impact of changes during the year. Any increase in risk will be escalated through the corporate risk register.

Comments checked by:
Ed Bailey, Corporate Performance Manager, 01295 221605
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Equality and Diversity

7.4 Impact assessments will be carried out in advance of setting the 2016/17 budget.

Comments checked by:

Caroline French, Business Transformation Project Officer, 01295 221586

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8.0 Decision Information

Wards Affected - All

Links to Corporate Plan and Policy Framework - Accessible Value for Money.

Lead Councillor - Councillor Ken Atack, Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix 1	Draft Budget 2017/18 – To follow
Appendix 2	Medium Term Revenue Plan 2017/18 to 2021/22 – To follow
Appendix 3	Capital Programme 2017/18 – To follow
Appendix 4	Proposed Reserves 2017/18 – To follow
Background Papers	
None	
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