

Cherwell District Council
Budget Planning Committee

28 July 2015

Medium Term Revenue Plan

Report of Director of Resources

This report is public

Purpose of report

To provide members of the Budget Planning Committee with an update on the Council's Medium Term Revenue Plan

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report.

2.0 Introduction

- 2.1 This Committee has the responsibility of recommending a budget for consideration to Executive and will receive detailed reports throughout the budget process of issues, financial pressures and efficiencies that will have an impact on the setting of the budget.
- 2.2 The purpose of this report is to set out the current medium term financial forecast as a base position to then build on and update at each meeting. The focus of attention for each meeting will be the forthcoming financial year (2016-17) but future years will also be updated as part of the iterative process.

3.0 Report Details

Medium Term Revenue Plan

3.1 The current medium term forecast show the following deficits from 2016-17 onwards.

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
EXPENDITURE					
Approved base budget	15,233	15,233	15,842	16,489	17,143
Unavoidable pressures					
Contract Inflation		64	66	68	70
Demand led increases		50	50	50	50
Pay inflation		245	250	255	260
Pay increments		175	175	175	175
Superannuation		69	100	100	100
NNDR Pressures		6	6	6	6
TOTAL EXPENDITURE	15,233	15,842	16,489	17,143	17,804
FUNDING					
Business Rates Baseline	(3,466)	(3,587)	(3,684)	(3,783)	(3,886)
Revenue Support Grant	(2,629)	(986)	0	0	0
Formula grant equivalent	(6,095)	(4,573)	(3,684)	(3,783)	(3,886)
Transfer to Parish Councils for CTRS	349	349	349	349	349
Transfer Homelessness Grant	101	101	101	101	101
Business Rates (Growth, Pooling & S31)	(2,185)	(2,185)	(2,185)	(2,185)	(2,185)
Council Tax Compensation Grant	(63)	0	0	0	0
Collection Fund	(233)	(100)	(100)	(100)	(100)
New Homes Bonus	(1,272)	(1,587)	(1,684)	(1,882)	(1,918)
	(9,398)	(7,995)	(7,203)	(7,501)	(7,638)
Council Tax income	(5,959)	(6,078)	(6,200)	(6,324)	(6,450)
Contribution to Reserves	124				
TOTAL INCOME	(15,233)	(14,073)	(13,403)	(13,824)	(14,089)
FUNDING DEFICIT	0	1,769	3,086	3,318	3,715

3.2 The above position shows a deficit to address in 2016-17 of £1.769m which needs to be addressed. This will be updated for each meeting to take accounts of matters such as:

- Government grant assumptions
- Inflationary increases

- Demand led pressure
- Unavoidable pressures
- Budget reductions
- Budget strategy changes
- New Homes Bonus updates
- Business Rates revised forecasts
- Any other new information that will have an impact on the budget.

- 3.3 This report is intended to show the opening position so that members can see the size of the deficit that needs to be addressed. As well as bringing forward the updates referred to above, officers will also bring forward budget proposals and strategies that will seek to close the financial gap and members can give a view on those that should be incorporated for recommendation onto the Executive.
- 3.4 Therefore, at this stage is a report for information which provides a baseline or opening position of the medium term financial position that needs to be addressed.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Members are requested to note the content of this report.

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.

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.

Option 1: To not note the report but members will not be aware of the opening medium term financial forecast if they choose to take this option.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications stemming from this report as it is just setting out the scale of the medium term financial deficit that needs to be addressed at the start of the detailed budget setting process.

Comments checked by:

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Legal Implications

- 7.2 The Council has to set a balanced budget each year and this report provides the opening position to enable the Council to meet this requirement.

Comments checked by:

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

This links to the Council's priority of Sound Budgets and a Customer Focussed Council.

Lead Councillor

Councillor Ken Attack, Lead Member for Financial Management.

Document Information

Appendix No	Title
None	
Background Papers	
None	
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