

Cherwell District Council

Council

22 February 2016

<p>Revenue and Capital Budget and Corporate Business Plan 2016/17</p>
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Report of the Director of Resources

This report is public

Purpose of report

To set the Council's General Fund Budget and to seek formal adoption of all parts of the Council's financial plans for the 2016/17 budget year.

The report also details the proposed strategic priorities, the underpinning key objectives and outcomes for 2016/17 which have now been converted into a proposed business plan for the Council. The proposed business plan sits alongside the proposed budget for 2016/17 so as to demonstrate that the Council adopts a strategic and integrated approach to managing all of its resources by aligning the development and delivery of the Council's strategic business priorities and key outcomes to the proposed budget.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the contents of this report in approving the General Fund Revenue Budget and Capital Programme for 2016/17 and to formally record that consideration.
- 1.2 To approve the 2016/17 General Fund Budget (in table 1) and 2016/17 Capital Programme (in Appendices 2 and 3).
- 1.3 To approve the Collection Fund Estimates contained in Appendix 4
- 1.4 To approve 2016/17 business plan and public pledges (detailed in Appendices 5 and 6) and to delegate authority to the Head of Transformation in consultation with the Leader of the Council to make any minor amendments to the plan or pledges as required before final publication in March 2016.
- 1.5 To note the contents of the section 25 statement from the Director of Resources contained in paragraphs 2.1 to 2.7 in relation to the robustness of the estimates and the adequacy of reserves.
- 1.6 To approve the Treasury Management Strategy as detailed in Appendix 7 including the Capital Prudential Indicators 2016/17 – 2018/19

- 1.7 To approve the appended statement of pay policy for 2016/17 as required by the Localism Act and detailed in Appendix 8 (to follow).
- 1.8 To confirm and approve the Transitional Relief Policy contained in Appendix 9.
- 1.9 To note the level of Empty Homes Premium at 50% as recommended by Executive Committee on 7 September 2015, see table 3 below which will form a recommendation in the Council Tax Setting report.
- 1.10 To note the council tax discounts for 2016/17 set out in table 3 below and recommended by Executive Committee on 1 February 2016 which will form part of the Council Tax setting report..

2.0 Introduction

- 2.1 Section 25 of The Local Government Act 2003 includes a specific personal duty on the Chief Financial Officer (CFO) to make a report to the authority when it is considering its budget and Council Tax. Also, Section 26 of the Act gives the Secretary of State power to set minimum level of reserves for which an authority must provide in setting its budget. The legislation says that “the provisions are a fall back against the circumstances in which an authority does not act prudently, disregards the advice of its CFO and is heading for serious financial difficulty”.
- 2.2 The Local Government Finance Act 1992 also requires that authorities have regard to the level of reserves needed for meeting estimated future expenditure when calculating the next year’s budget requirement.
- 2.3 There are also a range of safeguards to ensure authorities do not over-commit themselves financially. These include:
 - The CFO ‘S114’ powers, which require a report to all members of the authority if there is or is likely to be unlawful expenditure or an unbalanced budget
 - The Prudential Code which applied to capital financing from 2004-05.
- 2.4 Under Section 25 of the Local Government Act 2003, the Council’s Chief Financial Officer is required to report to the Council on:
 - The robustness of the estimates included within the budget
 - The adequacy of the reserves and balances
- 2.5 Under the Act, Members must have regard to the contents of this report when making their decisions on the budget.
- 2.6 It is proposed that Members consider the contents of this report when making their decisions on the Council’s budgets at this meeting.
- 2.7 The conclusion is that the processes followed have been generally sound and similar to those that have produced robust estimates in the past. In the light of information made available during the budget process, there is sufficient capacity in the proposed budget and available reserves and balances to cope with the financial risks the Authority faces in 2016/17.

3.0 Report Details

Five Year Business Strategy, 2016-17 Business Plan and Performance Pledges

- 3.1 Whilst Appendix 5 sets out the corporate business plan, Appendix 6 clearly illustrates the performance pledges for 2016/17 arising from the Council's five year strategy, following consultation with the Overview and Scrutiny Committee. These inform the development of the annual budget and direct operational business plans for all services.
- 3.2 After the budget, five year strategy, business plan and Pledges have been considered and agreed by Full Council they will be published in March 2016 and will form the basis of the Council's performance management framework.

Budget Process 2016/17

- 3.3 The budget for 2016/17 includes a further cut in government Revenue Support. The reduction in grant funding compared to 2015/16 equates to £746,000 - a drop of 12.2%.
- 3.4 The budget process formally began with the Executive agreeing Budget Guidelines at their meeting on 5 October 2015. These guidelines included the decision that any service growth should be self-funding via efficiencies and that the council tax should not be increased.
- 3.5 For a number of years the Council's budget process has included consultation with the stakeholders of Cherwell to find out which services were most important to residents and others and what they thought spending and savings priorities should be in the coming budget year. The current budget process has continued this trend by seeking the views of the general public, the business community, the voluntary sector and other key partners on issues such as the most important services to spend on, where to decrease spending and the level the council tax should be set at.
- 3.6 The Joint Management Team received regular updates on the overall budget position from September 2015 through to January 2016 and managed the overall process. The Executive received regular reports detailing the service and financial planning process. The revenue and capital budget proposals were reported on 1 February 2016, outlining the latest position regarding efficiencies identified and remaining sums required to balance the budget.
- 3.7 The Budget Planning Committee reviewed a number of components of the 2016/17 budget. These focused primarily on the proposed capital project schemes and reserves. This work was carried out from October 2015 until January 2016. The recommendations of this committee were taken to the Executive for consideration on 1 February 2016 and these were included in the final budget proposal. The Executive concluded its budget deliberations on 1 February. .
- 3.8 The draft revenue budget is set out in Table 1.

Table 1: Revenue Budget 2016-17	Approved Budget 2015-16 £000	Draft Budget 2016-17 Proposed Budget £000	Movement £000	Movement %
Community and Environment				
Community Services	5,557	4,931	(626)	(11)
Environmental Services	4,444	4,919	475	11
Community & Environment Directorate Total	10,001	9,850	(151)	(2)
Development				
Strategic Planning and the Economy	700	1,195	495	71
Public Protection / Development Management	483	261	(222)	(46)
Regeneration and Housing	1,801	1,642	(159)	(9)
Development Directorate Total	2,984	3,098	114	4
Resources				
Transformation	2,455	2,659	204	8
Finance and Procurement	824	1,142	318	39
Law and Governance	909	990	81	9
Resources Directorate Total	4,188	4,791	603	14
Bicester Regeneration Programme	(311)	1,163	1,474	(474)
Chief Executive	410	417	7	2
NET COST OF SERVICES	17,272	19,319	2,047	12
Transfers to/from Reserves NHB	1,461	2,030	569	39
Transfers to/from reserves	124	(1,705)	(1,829)	(1,475)
Transfers to General Fund Balance	0	688	688	0
Interest due on debt	159	25	(134)	(84)
Interest on Investments	0	(175)	(175)	0
Superannuation	1,781	1,847	66	4
Depreciation adjustment	(4,000)	(4,002)	(2)	0
NET BUDGET REQUIREMENT	16,797	18,027	1,230	7
FUNDING				
Business Rates Baseline	(3,466)	(3,495)	(29)	1
Revenue Support Grant	(2,629)	(1,851)	778	(30)
Formula grant equivalent	(6,095)	(5,346)	749	(12)
Transfer to Parish Councils for CTRS	349	349	0	0
Transfer Homelessness Grant	101	0	(101)	(100)
Council Tax Compensation Grant	(63)	0	63	(100)
Collection Fund	(233)	(180)	53	(23)
New Homes Bonus	(2,712)	(3,851)	(1,139)	42
Business Rates				
S31 Grant	(1,135)	(860)	275	(24)
Growth above baseline	(600)	(1,020)	(420)	70
Pooling	(450)	(900)	(450)	100
	(10,838)	(11,808)	(970)	9
Council Tax Income	(5,959)	(6,219)	(260)	4
TOTAL INCOME	(16,797)	(18,027)	(1,230)	7
(Surplus) / Deficit	0	0	0	0
Tax Base	48,253	50,357		
Band D Council Tax	£123.50	£123.50	£0.00	0
% increase in Council Tax	0%	0%		

- 3.9 The budget will form the financial expression of the Council's service delivery plans for 2016/17; the allocation of resources against agreed service priorities is necessary in order to achieve its strategic priorities.
- 3.10 The current economic climate presents unprecedented challenges in meeting spending priorities without placing undue burden on local taxpayers. The Council's successful approach to improving value for money and securing efficiencies on an ongoing basis provides a solid foundation.

Proposed Council Tax 2016/17

- 3.11 The level of council tax being proposed is £123.50 pa at Band D and this is in line with Council commitment of a zero increase in 2016/17. This is the seventh year that Council Tax has been frozen. This compares to a CPI rate at December 2015 of 0.2% and RPI of 1.6%.

Local Government Finance Settlement

- 3.12 On the 17 December 2015, the Secretary of State for Communities and Local Government, the Rt Hon Greg Clark MP made a statement on the provisional local government finance settlement for 2016/17. This statement was confirmed on 8 February 2016.
- 3.13 The Medium Term Revenue Plan (MTRP) contained assumptions of a significant reduction in Revenue Support Grant (RSG) for 2016/17 and no RSG from 2017/18. This was partly in expectation of significant cuts, but also to reduce the Council's reliance on RSG. In the event, the Secretary of State announced a four year settlement, which included a higher than expected figure for 2016/17. The impact of the four year settlement is shown in the MTRP in Appendix 1.
- 3.14 The settlement proposes RSG, Business Rates Baseline Funding and New Homes Bonus (NHB) for the next four years, until the revised Business Rates Scheme can be introduced, when local authorities may retain more of the business rates collected.
- 3.15 The New Homes Bonus scheme has remained unchanged for 2016/17. The Government is consulting on changes to NHB, the aim being to reduce the overall payments for NHB to provide additional funding for other public sector spending pressures and new burdens. This is likely to be achieved by reducing the period for which NHB is paid from the current 6 years. The revised scheme is likely to be in place from 2017/18 onwards.

Table 2. New Homes Bonus

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
New Homes Bonus	£'000	£'000	£'000	£'000	£'000	£'000
	2,712	3,851	4,060	2,980	2,990	2,300

Treasury Management Strategy 2016/17

- 3.16 The Council's investment income budget for 2016/17 has been compiled on the basis of close tracking of actual and likely interest rates and with the help of external advice. The emphasis has been on investments with the least risk for the Council's money and this, along with the continued low interest rates on offer and the agreed use of capital receipts has led to continuing low levels of investment income built into the budget. In budgetary terms this is prudent and places the Council at less risk of exposure in-year. A revised Treasury Management Strategy will be recommended to Full Council in February 2016 by the Accounts, Audit and Risk Committee.

Business Rates Pooling and Growth

- 3.17 Two years ago, the decision was taken to form a pool with Oxfordshire County Council and West Oxfordshire District Council.
- 3.18 However there will be a significant benefit to Cherwell as a result of the pooling arrangements. The budget anticipates £900,000 for Cherwell as a result of pooling. This estimate is deliberately prudent given the turbulence and uncertainty still associated with the scheme.
- 3.19 The draft budget also includes £1.02m business rates growth above the baseline and £860,000 of Section 31 grant. These represent an increase over last year of £595,000 overall.

Collection Fund

- 3.20 The Collection Fund estimates have been finalised and are detailed in Appendix 4. The surplus is currently projected to be £179,733, and this has been included as funding for 2016/17.
- 3.21 The Council currently makes awards in accordance with Section 47 of the Local Government Finance Act 1988 (as amended) to grant discretionary relief. The Council approved a two year transitional relief policy last year. In order to confirm and adopt the transitional relief scheme for 2016/17 Members are required to confirm the decision made last year, the transitional relief policy is contained in Appendix 9.
- 3.22 The Council is also required to approve any Empty Homes Premium it wishes to charge for the forthcoming year. This has been set at 150%, as recommended by the Executive Committee at a meeting on 7 September 2015, see table 3 below.
- 3.23 The Council is required to set discount rates for unoccupied properties. The Executive Committee reviewed the rates for 2015/16 and recommended the rates shown in table 3 below for 2016/17 at a meeting on 1 February 2016.

Table 3. Discounts and Premiums 2016/17

Discount Description	Rate 2015/16	Rate 2016/17
Properties within Class A and B as defined by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (furnished chargeable dwelling that are not the sole or a main residence of an individual).	0%	0%
Properties within Class C as defined by the Council TAX (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (a property that is unoccupied and substantially unfurnished).	0%	0%
Properties within Class D as defined by the said Regulations (chargeable dwellings that are vacant and undergoing major repair work to render them habitable).	-50%	-25%
Premium Description	Rate 2015/16	Rate 2016/17
Dwellings that are unoccupied and unfurnished for more than two years	0%	50%

Capital Programme 2016/17

- 3.24 The Budget Planning Committee reviewed all the capital bids during November and made recommendations to the Executive at its meeting of 19 January 2016. The new capital schemes for 2016/17 supported by Budget Planning Committee and Executive Committee totalling £1.406 million are set out at Appendix 2 It should also be noted that there are seven ongoing capital projects, and the capital programme shown in Appendix 3, includes £8,814m for the period 2017/18 to 2020/21.
- 3.25 This capital programme budget is summarised in table 4 below and the capital bids are listed in Appendix 2. The Capital programme is shown in Appendix 3.

Table 4: Capital Programme and Finance:	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000

In Year Spend - Capital Programme	63,808	30,329	2,441	2,252	2,024	2,097	102,951
Financed By:							
External Grant Funding - DFG	-475	-375	-375	-375	-375	-375	-2,350
External Grant Funding - Bicester Sports Village	-260	0	0	0	0	0	-260
Borrowing - Build Programme	-22,745	0	0	0	0	0	-22,745
Borrowing - Graven Hill	-33,217	-25,100	0	0	0	0	-58,317
In Year - use of Capital Receipts	-7,111	-4,854	-2,066	-1,877	-1,649	-1,722	-19,279
	0	0	0	0	0	0	0

Capital Receipts	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts balance brought forward	-11,658	-12,232	-15,958	-23,142	-22,345	-21,776	-11,658
VAT Shelter and Right to Buy	-610	-580	-580	-580	-580	-580	-3,510
Other In Year Capital Receipts	-7,075	-8,000	-8,670	-500	-500	-3,995	-28,740
In Year - use of Capital Receipts	7,111	4,854	2,066	1,877	1,649	1,722	19,279
Capital Receipts balance carried forward	-12,232	-15,958	-23,142	-22,345	-21,776	-24,629	-24,629

Guidance on evaluation of estimates

- 3.26 The Local Government Act 2003 does not provide any specific guidance on how to evaluate the robustness of the estimates. The explanatory notes to the Act do, however, stress that decisions on the appropriate level of reserves should not be based on a rule of thumb, but on an assessment of all the circumstances considered likely to affect the authority. In addition reference is also made to the CIPFA (The Chartered Institute of Public Finance and Accountancy) guidance on reserves and balances.
- 3.27 The CIPFA guidance states that the following factors should be taken into account when the CFO considers the overall level of reserves and balances:
- Assumptions regarding inflation
 - Estimates of the level and timing of capital receipts
 - Treatment of demand led budgets (i.e. budgets where expenditure or income are to some extent beyond the Council's control)
 - Treatment of efficiencies
 - Risks inherent in any new partnerships
 - Financial standing of the authority (level of borrowing, debt outstanding etc)
 - The authority's track record in budget management (including the robustness of the Medium Term Financial Strategy)
 - The authority's capacity to manage in-year budget pressures
 - The authority's virement and year-end procedures in relation to under- and over- spends
 - The adequacy of insurance arrangements.
- 3.28 The above issues are also of relevance when evaluating the robustness of the budget.

Reserves

- 3.29 The rationale for each of the Council's reserves and the level required in each has been reviewed by the Leader, the Lead Member for Financial Management, The Budget Planning Committee the Director of Resources and the Head of Finance & Procurement. The reserves are considered to be both necessary and at adequate levels.
- 3.30 Reserves can be held for two main purposes:
- General reserves to meet the potential costs of emergencies or unexpected events, including a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
 - Earmarked reserves to meet known or predicted liabilities over a period of time usually of more than one year. These earmarked reserves protect the Council against specific financial risks and this is a factor to be taken into account when assessing the adequacy of the totality of balances and reserves and the level of the General Fund Balance.
- 3.31 These reserves are in the region of £17m but will be subject to change as a result of year-end adjustments and formulating the statutory accounts.

Strategic budget issues to evaluate for robustness

Inflationary Pressures

- 3.32 The approved budget guidelines recommended the inclusion of 2.7% inflation to be incorporated within expenditure budgets (non-employee – see below), however managers were advised to only build in contractually unavoidable inflation increases as far as possible, in spite of relatively high levels of inflation being experienced currently. This helped force through the achievement of efficiency savings at a very detailed level to balance the budget overall.
- 3.33 A local agreement with Unison was reached in December 2015 for a 1.25% annual cost of living pay award for the council's mainstream staff payable from 1 April 2016. Consequently this has been built into the base budget for 2016/17, along with provision for a cost of living pay award for the Joint Management Team and other Shared Managers if this is approved by the Joint Commissioning Committee later in the year.
- 3.34 The Localism Act requires the Council to approve a statement of pay policy by 31 March each year. The Act prescribes the mandatory components of this document and these are contained in the statement of policy contained at Appendix 8. It should be noted that a shared policy statement has been created with South Northamptonshire Council to reflect the fact that the Joint Management Team is on the same terms and conditions. Where there are differences in policy between the two Councils these are highlighted in the statement.

Capital Programme Revenue Effects and Financing

- 3.35 The revenue budget includes all revenue effects of capital schemes. Assumptions of new capital receipts in 2016/17 are based on realistic estimates received from the relevant officers in the Council.

Treatment of demand-led pressures and efficiencies

- 3.36 Particular care has been taken in compiling the key Council budgets which are often described as 'demand led' because their achievement is to some degree outside the Council's control. These types of budgets, including spending on housing benefits and receipt of income from planning applications, land charges, car parking charges and interest on the Council's cash and financial reserve management are likely to contribute significantly to any overall variation of actual achievement against budgets. Some of these budgets could be affected by the prevailing economic climate and in all cases a prudent approach has been adopted in the estimates prepared.

Capacity to manage in-year budget pressures

- 3.37 The Council has a record of maintaining good financial and budgetary discipline in the face of mid-year pressures, including virement procedures that allow funds to be moved to areas where shortages exist. Although underspends and overspends are not automatically carried forward, the Council does have an approved carry forward scheme.
- 3.38 Managers with budgetary responsibility receive financial training and support. The Executive receives quarterly budgetary control reports, including proposed actions to deal with any variances from budget.

Risk Management and Insurance Arrangements

- 3.39 The Council has a well-developed risk management approach which regularly updates the key strategic and operational risks and identifies actions which can reduce the likelihood and impact of those risks. The risk registers identified are fed into the budgetary process as appropriate. The Authority has a low record of claims against its insurance policies.

Longer-Term Considerations

- 3.40 Although this report has the 2016/17 budget as its focus it is worthwhile considering briefly some of the key longer term financial issues facing the Council so that it can be established that no hidden issues could affect the forthcoming budget year.
- 3.41 The Council has a robust Medium Term Financial Strategy which is regularly updated and gives multi-year projections of the Council's revenue and capital position.
- 3.42 The Medium Term Revenue Plan, covering the years 2016/17 to 2020/21 is attached at Appendix 1 and will be developed by the Budget Planning Committee throughout the coming year. Although managerial action will be required during the 2016/17 budget year to deal with the likely budget deficit from 2017/18 onwards there are currently no plans which will affect the 2016/17 budget itself.
- 3.43 The preparation of the Medium Term Revenue Plan has been made easier and more important by the four year financial settlement announced by the Government in December 2015. In accepting the four year settlement, the Council will need to produce an efficiency plan. It is thought that the MTRP will be the basis of this plan.

Specific Service Budget Risk Considerations

- 3.44 Estimates for Housing Benefit payments, related Government subsidy and administration subsidy have been calculated based on the latest information available about take-up of benefits, the latest levels of correctly paid benefits and government notifications of reimbursements and subsidy levels. There has been a significant increase in the level of such payments during the economic difficulties of the last few years which may continue for some time yet. Bearing in mind that most of the sums paid out are reimbursed by the Government, these estimates are therefore as robust as possible for an area of expenditure that is demand led.
- 3.45 The income from car parking will be closely monitored, as it is demand led and we need to see if the impact of fee changes.
- 3.46 Planning fee income has increased over the last two years, and the budget for 2016/17 has increased in line with this. As this area of income is volatile and may fluctuate, the sums included will be closely monitored during the year.
- 3.47 Rental income from the Council's property portfolio is again subject to market forces and best estimates from officers concerned have been used and will be monitored closely.
- 3.48 The homelessness budget is demand-led and therefore difficult to accurately estimate. It will be closely monitored.

2015-16 Treasury Strategy

- 3.49 The Treasury Management Strategy is the cornerstone of proper treasury management, and is central to the operation, management reporting and performance assessment.
- 3.50 The proposed strategy for 2016/17 is attached in Appendix 7 and is based upon the views of the Director of Resources, Head of Finance and Procurement and the Council's Treasury Management Team. This is informed by market forecasts provided by the Council's treasury advisor, Capita Asset Services (formerly Sector).
- 3.51 In consultation with Capita Asset Services and with full reference to the CIPFA Code of Practice, the Council has reviewed its risk appetite and associated priorities in relation to security, liquidity and yield in respect of returns from various financial instruments.
- 3.52 The strategy detailed in Appendix 7 covers:
- The Current Treasury Position
 - Prospects for interest rates
 - The borrowing strategy
 - Prudential Indicators
 - The investment strategy
 - Creditworthiness policy
- 3.53 This strategy statement has been prepared in accordance with the revised Code. Accordingly, the Council's Treasury Management Strategy will be considered for approval annually by the full Council.
- 3.54 In addition there will be monitoring reports and regular review by members in both executive and scrutiny functions.
- 3.55 The aim of these reporting arrangements is to ensure that those with responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities relating to delegation and reporting.
- 3.56 This Council adopts the reporting arrangements outlined in the attached Strategy.

Minimum Revenue Provision (MRP) Policy

- 3.57 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) places a duty on local authorities to make prudent provision for debt redemption. Guidance on Minimum Revenue Provision (MRP) has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003. The Strategy includes the Council's Minimum Revenue Provision Statement.
- 3.58 This MRP Statement is being submitted before the start of the 2016/17 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be submitted at that time.

Key Issues for Consideration and Options

- 3.59 The key issues are whether:
- the base budget is realistic, both in terms of expenditure and income
 - the expenditure efficiencies are achievable
 - any new or increased income will be received
 - the reserves are adequate to deal with any budget problems.
- 3.60 It is considered that these requirements are in fact met and that the budget is sufficiently robust to be recommended for approval.
- 3.61 The production of the Treasury Management and Investment Strategy is a requirement of the CIPFA Code of Practice for Treasury Management.
- 3.62 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Authorised Borrowing Limit”.
- 3.63 The Full Council can of course make changes to the budget even at this late stage, although it is advised that any such changes, if significant, could adversely affect the robustness of the budget if a full appraisal of their likely consequences is not undertaken.
- 3.64 The approach recommended is believed to be essential so that the Council complies with the legislation directing it to consider the Chief Financial Officer’s report.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The above narrative alongside the appendices represents the draft budget, strategic priorities and annual business plan for Council to consider alongside the setting of the 2016/17 Council Tax.

5.0 Consultation

- 5.1 The Executive has considered and recommended the budget at the meeting held on 1 February 2016.
- 5.2 The Budget Planning Committee has considered the budget at its meetings during October 2015 to January 2016.
- 5.3 The Overview and Scrutiny Committee considered the proposed strategic priorities, key objectives and key outcomes for 2016/17 at its meeting on 12 January 2016 and did not wish to recommend any changes for the Executive to consider ahead of finalising its proposals for Full Council to consider at this meeting.
- 5.4 The Executive has consulted on its proposed budget and also used both the annual customer satisfaction survey and the Citizen’s panel to look at budget issues and develop the annual business plan and the specific outcomes required for the Council and our residents / stakeholders for the year ahead.

5.5 The draft budget has also been on the Council's consultation portal.

6.0 Alternative Options and Reasons for Rejection

6.1 This report presents a final analysis of the Council's draft 2016/17 revenue and capital budget. This will be presented to Council on the 22 February to support the setting of the Council Tax.

6.2 It is a legal requirement to set a balanced budget and the recommendations as set out represent what is believed to be the best way of achieving this. Alternative options are:

To reject the current proposals and to make alternative recommendations or ask officers for further information.

7.0 Implications

Financial and Resource Implications

7.1 The financial effects of the revenue budget are identified in the report. Any decisions made in relation to on-going expenditure or income in the budget for 2016/17 will have repercussions in future years when current forecasts indicate the financial environment is likely to become increasingly difficult. The Council has a statutory duty to set a balanced budget and could incur the intervention of the Secretary of State if it failed to do so.

Comments checked by: George Hill, Corporate Finance Manager
01295 221731 george.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 The Council is legally required to set a balanced budget which the recommendations will achieve if approved by Executive and Council. Due consideration of external responses to consultation is also required and has taken place as part of the budget process. The decision of the Council to set an annual budget and a level of Council Tax must be made by a recorded vote.

Comments checked by: Kevin Lane, Head of Law and Governance
0300 0030107 kevin.lane@cherwellsouthnorthants.gov.uk

Risk management

7.3 The purpose of the Performance Management Framework is to enable the Council to deliver its strategic priorities and key outcomes. All managers are required to identify and manage the risks associated with achieving this. All risks are logged on the Risk Register and reported quarterly to the Accounts, Audit and Risk Committee.

Comments checked by: Caroline French, Corporate Policy Officer
01295 221786 caroline.french@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 Both the proposed budget and business plan have been subject to an equality impact assessment with no recommendations for action.

Comments checked by: Caroline French, Corporate Policy Officer
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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillors

Councillor Barry Wood – Leader of the Council
Councillor Ken Atack – Lead Member for Financial Management

Document Information

Appendix No	Title
1	MTRP 2015/16 to 2020/21
2	Capital Bids 2016/17
3	Capital Programme 2015/16 to 2020/21
4	Collection Fund Estimates
5	Business Plan 2016/17
6	Pledges 2016/17
7	Treasury Strategy
8	Pay Policy – To follow
9	Transitional Relief Policy
Background Papers	
None	
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