

Cherwell District Council

Budget Planning Committee

19 January 2016

<p>Medium Term Revenue Plan and draft 2016-17 Revenue and Capital Budgets</p>
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Report of the Head of Finance and Procurement

This report is public
Appendices 1, 2 and 3 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 the updated Medium Term Revenue Plan (MTRP), Appendix 1
- 1.2 To consider the 2016/17 draft revenue budget set out at Appendix 2 before it is recommended to Executive and then Full Council in February.
- 1.3 To consider the 2016/17 capital programme set out at Appendix 3 before it is recommended to Executive and then Full Council in February.
- 1.4 To consider and recommend to Executive the level of Council tax increase for 2016/17 before this is formally approved by Full Council in February.

2.0 Introduction

- 2.1 This report sets out the latest position on the 2016/17 revenue and capital budgets for Cherwell District Council based on the information currently available. The budgets will be considered by Executive at its meeting of the 1 February and by Full Council at its meeting of the 22 February.
- 2.2 The report sets out the current position for the budget following the provisional local government finance settlement and previous reports to this Committee. 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 2016/17 budget is being developed within the context of an austerity programme and the government's focus on deficit reduction. 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 (**Exempt**).
- 3.2 Throughout the autumn, officers have been preparing the budget in line with the guidelines approved by this Committee in October 2015. Taking account of the guidance and the impact of the settlement, the draft revenue budget 2016/17 is set out in **Appendix 1 (Exempt)**.
- 3.3 The draft budget assumes no increase in Council Tax for 2016/17. The settlement indicated that the referendum threshold would remain at a 2% Council Tax increase. Council Tax compensation grant will be paid at 1% if Council Tax is frozen for 2016/17. If agreed, this will be the 7th 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 2016/17, work is ongoing to refresh the MTRP and to establish the position for 2017/18 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 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 17 November 2015. An additional bid has been added for the Hill Youth and Community Centre after the receipts of tenders and in light of a funding bid made to Sport England.
- 3.6 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.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The above position outlines a balanced budget for the Council for 2016/17. 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 at this stage.

5.0 Consultation

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:
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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: Jo Pitman, Head of Transformation
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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: Jo Pitman, Head of Transformation
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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 2016/17
Appendix 2	Medium Term Revenue Plan 2016/17 to 2020/21
Appendix 3	Capital Programme 2016/17
Background Papers	
	None
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