

Item 6 (c) - Budget and Council Tax Setting 2016/17

The attached report was considered by the Cabinet, relevant minute extract below

Cabinet - 4 February 2016 (Minute 69)

The Portfolio Holder for Finance presented the report for Members consideration, which was the final stage of the budget process that had seen members of the Advisory Committees having greater opportunity to contribute to the budget process. The report set out the proposed budget and required level of Council Tax for 2016/17 and also detailed changes to the draft budget since the Cabinet meeting on 14 January 2016. Members noted the corrected Appendix B as previously separately circulated and published after the main agenda but not contained in the original paper copy of the agenda, and further noted Appendices J to M would be circulated for Council decision.

The Government's draft finance settlement had been worse than expected across local government but had once again showed the benefit of having a 10-year budget strategy as no further savings had needed to be made to protect the Council's position. This was not the case for many other local authorities. If approved, the net expenditure budget for 2016/17 would be £13.689m with the District's Council Tax increasing by 1.96% resulting in Band D Council Tax being £196.65. He was pleased to announce that the report once again left the Council with a fully funded budget over the next 10 years.

The report also contained the Collection Fund position and an opinion on the robustness of the budget and the adequacy of the reserves.

The Chief Finance Officer explained that Appendix H to the report contained a review of reserves which included the recommendation to establish a Switch & Save Reserve, a Business Rates Retention Reserve and a CIL Reserve. Also included were some other movements between reserves.

The Government had not yet announced the final funding settlement figures for 2016/17 which were expected early the following week. Any changes included in that settlement would not affect the budget being recommended in the report. He reminded Members that the provisional settlement included a 61% reduction in the Revenue Support Grant (RSG) in 2016/17 alone, and that the figures assumed no funding would be passed on to Town and Parish Councils for Council Tax Support, which was one of the three options Council would be asked to consider.

He further advised that the changes should make the 10-year budget even more sustainable going forward as any Government changes would have less impact.

The Chairman, on behalf of the Cabinet, congratulated the Chief Finance Officer and all his staff for all their work, especially with regards to leading the response to Government on the new RSG proposals.

The Chairman advised that he believed there would be an expectation from Government for local authorities to accept any freedoms given this financial year, as part of locally raised fees and charges.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Council that

- a) the Summary of Council Expenditure and Council Tax for 2016/17 set out in Appendix E to the report, be approved;
- b) the 10-year budget 2016/17 to 2025/26 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix B to the report, including the growth and savings proposals set out in Appendix C-D to the report, be approved; and that where possible any variations during and between years be met from the Budget Stabilisation Reserve;
- c) the changes to reserves and provisions set out in Appendix H to the report, be approved;
- d) Members' views be sought on the issue of Council Tax Support funding for Town and Parish Councils and one of the following options be approved:
 - i) no funding be passed to Town and Parish Councils for Council Tax Support in 2016/17;
 - ii) an amount of funding be passed to Town and Parish Councils for Council Tax Support in 2016/17 equivalent to the amount passed on in 2013/14 less 78% (the Council's reduction in Revenue Support Grant); or
 - iii) a different amount be passed to Town and Parish Councils for Council Tax Support in 2016/17.