

Item 6 (c) - Budget and Council Tax Setting 2017/18

The attached report was considered by the Cabinet on 9 February 2017, relevant minute extract below:

Cabinet - 9 February 2017 (Minute 68)

The Portfolio Holder for Finance introduced the report which was the final stage in the budget process that had seen significant Member involvement. He stated that if approved the net expenditure budget for 2017/18 would be £14.47m with the District's Council Tax increasing by 2.5% resulting in Band D Council Tax being £202.77. He was pleased to report that the Council was looking at having a fully-funded self-sufficient budget over the next ten years.

The Chief Finance Officer then presented the report which contained various appendices including budget amounts for all service areas, growth and savings items recommended as well as pay costs and a risk analysis.

With regard to the ten year budget, the major changes this year included a Council Tax increase of 2.5% in 2017/18 but remaining at 2% for later years; growth and savings items previously presented to Cabinet; Property Investment Strategy income updated to reflect the portfolio; and a reduced interest receipts assumption for the next 2 years.

The changes announced in the Provisional Local Government Settlement in December were said to have had no effect on the ten year budget due to the decision made last year to no longer use Revenue Support Grant or New Homes Bonus to fund the revenue budget. The Chief Finance Officer stated that this highlighted the benefits of being financially self-sufficient.

The settlement no longer included any Revenue Support Grant and also changed the basis for calculating New Homes Bonus so that lower amounts would be received in future. The final settlement was expected to be announced later in the month but no changes were expected that would affect the ten year budget.

Appendix I of the report contained a review of reserves which included the recommendation to transfer £1.7m into the Property Investment Strategy Reserve to ensure acquisitions were funded in the most efficient way and also to replace the reduced funding now expected from the New Homes Bonus.

Appendices K to N were not included in the report but would be included in the Council version after the other preceptors have set their Council Tax.

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 2017/18 set out in Appendix E to the report, be approved;
- b) the 10-year budget 2017/18 to 2026/27 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 Capital Programme 2017/20 and funding method set out in Appendix H to the report, be approved;
- d) the changes to reserves and provisions set out in Appendix I to the report, be approved.