

COUNCIL MEETING – 23 FEBRUARY 2017

Recommendation to Council from the Executive meeting held on 7 February 2017

E/16/101. Budget 2017/18 and Medium Term Financial Plan

The Executive considered a report that set out the proposed budget for 2017/18 and updated the Medium Term Financial Plan. The Executive Member for Corporate Resources drew attention to the comments and recommendations from the Overview and Scrutiny Committees on the proposals and summarised the outcome of the public consultation. He also referred to the addendum to Appendix F as this provided additional exemplification of the legal considerations for certain specific efficiencies (Category C – Withdrawing Services). The Local Government Finance Settlement was unlikely to be finalised until after Council on 23 February 2017, so any adverse implications from the final Settlement would need to be accommodated within the contingency contained within the proposed budget. The General Fund reserves were continually being assessed to maintain a prudent minimum level to respond to unforeseen impacts. The proposed revenue budget for 2017/18 included a contingency of £2.1m. The reserve policy had been updated as set out at Appendix G to the report. To deploy reserves to offset efficiencies would be to compromise the Council's financial sustainability.

The report identified the efficiencies required to produce a balanced budget in the light of the ongoing reduction in funding from the Government and other pressures. £15.2m of efficiencies were identified for 2017/18. Following consideration of the responses from the consultation, it was proposed that the Council's element of the Council tax should be increased by 1.549% and a 3% precept earmarked for adult social care.

In response to questions, the Executive Member for Corporate Resources explained that councils would be permitted to apply a social care precept of up to 6% over a three year period. In view of the pressures in this area, it was proposed that the Council include a 3% precept for 2017/18 and 2018/19.

New Homes Bonus (NHB) was used to support frontline services and any growth above a baseline figure held in an earmarked reserve to fund infrastructure costs incurred as a result of growth. The Provisional Local Government Finance Settlement confirmed a reduction in the number of payment years for NHB from 6 years to 5 years in 2017/18 and to 4 years in 2018/19.

The Executive Member welcomed the feedback from an Independent Member who was pleased with the comprehensive and numerous briefings provided to Members to influence the budget proposed by the Executive.

Reason for decision: To enable the Council to approve the budget for 2017/18 and Medium Term Financial Plan 2017/18 – 2020/21.

RESOLVED

1. to note the response to consultation with the Overview and Scrutiny Committees as set out in Appendix J and the response to consultation with the public and stakeholders as set out in Appendix A(i);
2. to note the Council Tax Base as set out in Appendix H; and
3. to note that certain efficiency proposals identified in Appendix D(ii) will be subject to formal consultation and Equality Impact Assessment in the coming months and instruct the Corporate Management Team to propose alternative compensatory savings if it appears, following a review of the outcome of the consultation and Equality Impact Assessment, that any specific proposal cannot be delivered.

RECOMMENDED to Council

1. ***that the Revenue Budget for 2017/18 and the Medium Term Financial Plan for 2017/18 to 2020/21, be approved;***
2. ***that in line with Government guidance, the following increases in Council tax (CBC element) for residents of Central Bedfordshire:***
 - (a) ***a Band D increase of £21.07, representing a 1.549% increase on the charge for 2016/17; and***
 - (b) ***a Band D increase of £40.80, representing a 3.0% increase on the charge for 2016/17, reflecting a precept of this amount to help fund adult social care costs.***

In total the Band D increase would be £61.87, representing a 4.549% increase on the charge for 2016/17. The CBC element of Band D Council tax for 2017/18 would therefore be £1,421.88.