Report for:	**Council**	**Item Number:**	

Title:	**Medium Term Financial Strategy 2015/16 to 2017/18**

Report Authorised by:	**Kevin Bartle – Assistant Director for Finance (CFO)**

Lead Officers:	**Neville Murton – Head of Finance (Budgets, Accounting and Systems Team)**

Ward(s) affected: All	**Report for Key decisions**

Haringey Council

1 Purpose of Report

1.1 To approve the final budget and Council Tax for 2015/16 and to note the Cabinet's agreement to the Corporate Plan and Medium Term Financial Strategy 2015-2018 including the Capital Programme.

2 Introduction by Councillor Jason Arthur, Cabinet Member for Resources and Culture

2.1 The financial challenge facing the Council over the next three years is unprecedented. In 2011, we were all told by the Coalition Government that austerity would be over by now. Instead, their failure to eradicate the deficit will mean that Haringey will see significant funding cuts up to 2020.

2.2 Since 2011/12, the Council has had to reduce its budget by £117million. Based on the best available information, over the next three years we believe it will fall by a further £69m. This amounts to a staggering 60 per cent real term reduction to our core funding by 2018-19.

2.3 I believe it is a cause for significant concern to note that the cuts we have faced are 7 times greater than boroughs like Richmond and 4 times greater than Bromley (in terms of spending power), despite Haringey having significantly higher levels of deprivation within our community. These cuts are only further compounded by demographic pressures - including an estimated 14% growth in the number of people over 65 by 2020 - and rising demand for Council services.

2.4 It is important for the Council to have a financial strategy that enables it to adapt to an environment in which it is much less reliant on central government funding. A short term approach would not enable us to change the way we work but would create significant uncertainty for Council staff, residents, businesses and partners.

2.5 Residents are understandably concerned about the impact of funding reductions on local services. Hearing and reading residents' submissions during the budget consultation about the positive difference the Council has made to their lives has been moving. Over the last four years, we have sought to prioritise cuts to the back office over frontline services. However, the need to deliver £69 million worth of savings has left us with little room for manoeuvre. In particular, it is vital that we transform our social care services to focus much more on more on early help and prevention.

2.6 In spite of the financial challenges we face, I believe that our job as public servants is to be unequivocally ambitious for our community and to relentlessly tackle inequality. The financial strategy outlined in this report is aligned to the Council's corporate priorities and seeks to make Haringey an even better place to live and work.

2.7 That's why we will freeze council tax for the sixth consecutive year in succession, helping to ease the pressure on local families at a time when many are struggling with the cost of living in the Capital; these decisions will have saved the average Council tax payer £150 by the end 2015/16.

2.8 We know that libraries are treasured parts of our community that enable residents to access information and support digital inclusion. At a time when libraries have closed across the country, our financial plan will enable us to protect all of our nine libraries.

2.9 There will also be significant investment into our roads and pavements, making them safer for pedestrians and cyclists and supporting our businesses to move and grow.

2.10 It is critical that Haringey maximises opportunities that come from being part of the London economy. So we will prioritise regeneration, particularly in Tottenham and Wood Green, so that we can improve the lives of local people and lever in £1bn worth of investment to create more jobs and build new homes.

2.11 Finally, we know that housing is critical to achieving mixed, stable and economically resilient communities. That is why we intend to invest in building more affordable homes, why we will continue to improve the quality of our existing council stock, and why we will spend £450k to create a lettings agency and licensing scheme to protect private sector tenants.

2.12 I commend this budget report to the Council.

3 Recommendations

a) To note the proposed Budget package agreed by Cabinet on 10 February 2015, included as Appendix 6 to this report, together with subsequent changes set out in this report;

b) To approve the Medium Term Financial Strategy to March 2018 as set out in Appendix 1 and the Cash Limits 2015/16 as set out in Appendix 2;

c) To approve the General Fund budget requirement for 2015/16 of £277.605m, net of Dedicated Schools Grant, as set out in Appendix 1;

d) To approve the Capital Programme to March 2018, comprising spending and funding of £157.660m as set out in Annex 2 to the Cabinet report of 10 February 2015 (attached as Appendix 6 to this report);

e) To approve the Housing Revenue Account Budget 2015/16 and Medium Term Financial Plan to March 2018 as set out in Annex 4 to the Cabinet report of 10 February 2015 (attached as Appendix 6 to this report);

f) To note the Greater London Authority (GLA) proposed precept (paragraph 6.12);

g) To delegate authority to the Chief Financial Officer, in consultation with the Cabinet Member for Resources and Culture, to reflect any final changes to the level of the GLA precept in the Council's Council Tax billing information set out in Appendix 5, subject to any change in the precept being below the level requiring the GLA to undertake a 'referendum'. Based on an analysis of the benchmark Band D properties, the delegated authority is limited to an increase in the GLA precept of £5.08 per annum;

h) To approve the reserves policy including the Chief Financial Officer's (CFO) assessment of risk and his assessment of the adequacy of current and projected reserves, as set out in Appendices 3a – 3c;

i) To approve the estimated level of un-earmarked General Fund reserves over the medium term financial planning period (2015 – 2018) and the specific and other reserves as set out in Appendix 3b;

j) To note the Budget Scrutiny recommendations made by the Overview and Scrutiny Committee and the response of the Cabinet set out in Annex 6 to the Cabinet report of 10 February 2015 (attached as Appendix 6 to this report);

k) To note the report of the Chief Financial Officer under Section 25 of the Local Government Act 2003 at Section 7 and 8 on the robustness of the estimates and the adequacy of proposed reserves;

l) To approve the Treasury Management Strategy Statement 2015/16 set out in Appendix 4;

m) To pass the Budget resolution in the specified format set out in Appendix 5;

n) To approve the consequential freeze in the Council's element of the Council Tax and to determine that the Council's relevant basic amount of Council Tax for the year is not excessive (Appendix 5).

4 Other options considered

4.1 In accordance with legislation and the Council's constitution, this report recommends that the Council should note the proposed budget package agreed by Cabinet on 10 February 2015 and, taking into account any subsequent changes set out in this report, approve the 2015/16 budget and Medium Term Financial Strategy to March 2018, and approve the Council Tax for 2015/16. Accordingly no other options have been considered.

5 Background information

5.1 On 10 February 2015 Cabinet agreed a proposed Budget package for submission to this meeting of the Council, including a revenue budget for 2015/16 of £277.034m, with an additional indicative budget of £236.477m in respect of the Dedicated Schools Grant and a three year Capital Programme to March 2018 of £157.660m. This was subject to the final Local Government Finance Settlement and the decisions of levying and precepting authorities.

5.2 The report highlighted that over the three year period there was a proposed drawdown from balances of £4.3m in order to deliver balanced budgets in 2015/16 and 2016/17. The Cabinet report of 10 February 2015 (attached as Appendix 6 to this report), and the proposed budget package recommended to Full Council by Cabinet, are the subjects of debate at this meeting.

5.3 This report addresses:

- The Final Local Government Finance Settlement 2015/16;
- Budget consultation;
- The decisions of levying bodies and precepting authorities;
- Consequential changes from the above;
- Considerations in setting the Council Tax;

- The robustness of the Council's budget process;
- The adequacy of the Council's reserves; and,
- The Treasury Management Strategy Statement 2015/16.

5.4 The report concludes by presenting the budget resolution to set the Council Tax for 2015/16.

6 Key Developments

Final Local Government Finance Settlement 2015/16 and other changes

6.1 Details of the final Local Government Finance settlement 2015/16 were announced on 3 February 2015, too late to be included in the Cabinet report of 10 February 2015.

6.2 The only change to the funding announcement following the consultation period is the addition of £74m nationally to RSG for upper tier authorities such as Haringey to assist local authorities in dealing with pressures on local welfare and health and social care. This change has resulted in an increase of £571k in the RSG allocation for Haringey.

6.3 In addition the level at which a referendum would be triggered following an increase in an authority's 2015/16 Council Tax was confirmed as remaining at 2%; this is the same level as for 2014/15.

6.4 There have been no other funding announcements or the provision of other information by the government that would change the key assumptions underpinning Cabinet's proposals to Council regarding the Medium Term Financial Strategy (MTFS) 2015-18, the HRA, the DSB, the Capital Programme and the Revenue Budget 2015/16.

6.5 Any such changes that do occur following Council's approval of the 2015/16 Budget will be reported to Cabinet as part of the normal budget monitoring and financial planning processes.

Budget consultation

6.6 On 16 December 2014, Cabinet agreed to begin a substantial consultation process with residents, businesses, partners on the Council's draft Medium Term Financial Strategy (MTFS) and draft Corporate Plan.

6.7 This consultation process closed on Sunday 18th January and a detailed report setting out the contributions received can be found at Appendix 1 of the Corporate Planning report considered by Cabinet on 10 February 2015.

Levying bodies

6.8 The Board of the North London Waste Authority (NLWA) met on 12 February 2015 and agreed an overall levy of £46.5m for 2015/16; which is at the same level as for 2014/15. Of this overall sum, £7.182m is the levy to this Council.

6.9 The same meeting also estimated income due to the Council from the Commingled Income Payments Scheme (CIPS) at £420k and the cost for Chargeable Household Waste will be £252k.

6.10 These changes had already been substantially reflected in the budget report to the

February Cabinet meeting and no additional changes are now being proposed as a result.

6.11 Over the medium term the overall NLWA levy is forecast to increase by around 10% in 2016/17 and by a further 7.8% in 2017/18; Haringey's proposed MTFP 2015 - 2018 shown in Appendix 1 reflects the overall budget implications of these assumptions.

The Greater London Authority Precept

6.12 The Mayor's final draft budget proposals for the 2015/16 consolidated budget were published on Friday 13 February and will be considered by the London Assembly on Monday 23 February. The current draft proposals indicate a proposed reduction of £4.00 (-1.34%) to £295 (Band D) however, it is possible that this may change before the final budget is approved – including the possibility of a change at the meeting on the 23rd February.

6.13 It is possible, therefore, that the amounts shown in respect of the GLA precept in Appendix 5 – the formal Budget resolution, may change. The Council as a billing authority is required to reflect the level of any relevant precept notified to it and so it is not a decision of the Council as to whether the level of the GLA precept should be approved or not. It is however, imperative that the information produced by the Council as the Billing Authority reflects the final decision taken by the GLA.

6.14 In order to accommodate the possibility that the final GLA precept varies from that currently advised, the recommendation to the Council is that it approves the budget resolution as currently presented at Appendix 5 which reflects the current position and gives delegated authority to the Council's Chief Financial Officer (CFO) in consultation with the Lead Member for Resources and Culture to implement the final GLA Council Tax precept in the Council's billing information.

6.15 In the very unlikely event that the GLA finally resolve a Council Tax precept at a level requiring them to undertake a referendum (i.e. a greater than 2% increase which in monetary terms, based on an analysis of the benchmark Band D property, would equate to an increase in the GLA precept of £5.08 per annum) a further report considering the implications of this on the Council would need to be considered.

Consequential and other changes

6.16 The proposed net Revenue Budget for 2015/16 is £277.605m, representing a reduction of £4.094m compared to 2014/15. Additionally, the budget consists of £236.477m indicative Dedicated Schools Grant and a General Fund Capital Programme to March 2018 of £157.660m.

6.17 The Haringey element of the Band D Council Tax for 2015/16 is **£1,184.32** (no increase compared to the 2014/15 level).

6.18 The overall Band D Council Tax, including the proposed GLA precept, is **£1,479.32** (a reduction of £4.00 compared to the 2014/15 level as a result of the reduction in the proposed GLA precept from £299.00 to £295.00).

6.19 The MTFS to March 2018, including the Budget 2015/16, is shown in Appendix 1 with the relevant 2015/16 service Cash Limits at Appendix 2.

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6.20 The proposed MTFS requires contributions from reserves amounting to £7.3m in order to balance the 2015/16 and 2016/17 budgets, however the 2017/18 budget is currently sustainable and includes a contribution to reserves of £3m meaning that over the 3 year planning period there is a net draw on reserves of £4.3m.

6.21 The Council has made, and will continue to make, strenuous efforts to influence the government to recognise the inequity of the impact of the current arrangements on the Council's finances and to make changes to deliver increased funding in the future; including specifically contributing to any proposed reform to the Local Government Finance system and the Business Rate Retention Scheme both of which are key determinants of the Council's future funding.

Considerations in setting the Council Tax

6.22 The Localism Act 2011 gave electors the right to veto excessive Council Tax rises. Councils that set 'excessive' tax increases above a ceiling approved by Parliament each year would automatically trigger a referendum in their area.

6.23 The Government confirmed the Council Tax referendum thresholds alongside the final Local Government Finance settlement on 3 February 2015; for 2015/16 it has remained at 2% of its relevant basic amount.

6.24 The proposed freezing of the Council Tax does not give rise to an increase in excess of 2% in the relevant basic amount of Council Tax and is, in terms of the legislation, deemed as not being excessive. Council is, therefore, recommended to resolve the relevant basic amount as not excessive at paragraph 6 of the Formal Budget Resolution (Appendix 5).

6.25 Accordingly, on the basis of the Cabinet's proposals for no change in Haringey's part of the Council Tax, a referendum will not be required.

6.26 The Government has confirmed that where Council Tax is frozen (or reduced), additional funding equivalent to a 1% increase in the Band D Council Tax amount will be payable in 2015/16.

6.27 In considering the level of its Council Tax for 2015/16 the Council should have regard to:

- The level of non-Council Tax funding resources that will be available in each of the next three years;
- The on-going demand for services;
- The views of residents, trade unions, businesses and other interested parties;
- The level of efficiency savings and service reductions that can realistically be delivered;
- The criteria for a Council Tax referendum determined by the government;
- The conditions relating to, and the level of grant being offered to, councils who freeze their Council Tax increase in 2015/16;
- The general economic climate and the additional financial burden any increase would have on Council Tax payers.

6.28 The Cabinet's Budget package proposes no increase in Haringey's Council Tax in

2015/16, and recognises the consequential receipt of additional Council Tax Freeze Grant in that year.

6.29 The projected income from Council Tax in 2015/16 is £83.862m based on 70,810 Band D equivalent properties (the Tax Base) and a collection rate of 95% (increased from 94% in 2014/15). The 2014/15 Tax Base was 67,091 Band D equivalent properties.

6.30 These changes result in total available funding (the 'Budget Requirement') for 2015/16 shown in Appendix 1 of £277.605m, as set out in recommendation 3(c), above. This is changed from the position presented to Cabinet on 10 February 2015 to reflect the receipt of an additional £0.571m of RSG following the final Local Government Finance settlement announcement.

7 Robustness of the budget process

7.1 The Council's Chief Financial Officer is required by Section 25 of the Local Government Act 2003 to report on the robustness of the estimates made for the purposes of final budget calculations.

7.2 The government has established a programme of public spending reductions, set out in its Spending Review of 2010 and subsequent Autumn Statement and Budget Statement announcements which have set out significant funding reductions for local authorities. In addition the government has embarked on a range of far-reaching changes across the public sector such as the transfer of Public Health responsibilities to Councils and the implementation of a range of welfare reforms.

7.3 The Business Rate Retention Scheme was implanted in April 2013 and this allows Councils to retain a proportion (30%) of net growth in the Business Rates in its area together with the localisation of Council Tax support. As such there has also been significant risk and uncertainty transferred from central to local government.

7.4 Authorities such as Haringey with high levels of deprivation are disproportionately affected by the continuation of austerity measures as the Government continues to transact them through the Revenue Support Grant mechanism.

7.5 For Haringey, the financial consequence of government's announcements has already resulted in the need to identify and deliver budget reductions in excess of £100m. The current MTFS identifies further additional saving proposals of £69m over the period to 2018 and the Government has also indicated that it expects austerity to continue until at least 2020.

7.6 To meet the unprecedented scale of this financial challenge, the Council plans to continue its approach to delivering services by prioritising front line and key service areas. The Cabinet's proposals are consistent with the overall strategic approach the Council previously agreed.

7.7 The 2014/15 Budget required the delivery of significant reductions in planned spending and the Council can be encouraged that the current year's outturn is forecast to be broadly within budget, although there are pressures both in Children's and Adults social care. This level of control and financial discipline will continue to be

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required over the medium term to deliver the forecast savings to 2018 and beyond. The latest formal letter from the Council's external auditor continues to express the view that the Council is well placed in terms of financial resilience.

7.8 As in previous years, the budget proposals for 2015/16 include a designated £2m contingency sum.

7.9 The budget proposals have been subject to detailed scrutiny and the Cabinet has also undertaken consultation with residents and businesses.

7.10 The recommendations agreed by the Overview and Scrutiny Committee at its meeting on 26 January 2015, together with the responses of the Cabinet, are set out in Annex 6 to the Cabinet report of 10 February 2015 (attached as Appendix 6 to this report).

7.11 The Budget process is complemented by a regular cycle of Budget Management and Performance Reviews. This involves detailed evaluation of budget, performance and workforce information at both Cabinet Member and senior officer levels. The Council's Risk Management process also underpins all of these activities.

7.12 The report to the Cabinet in February 2015, previous budget management reports and the Chief Financial Officer's comments, included on key reports during 2014 and 2015, specifically identified the major financial risk areas which needed to be taken into account in developing budget proposals.

7.13 Accordingly, the Chief Financial Officer is satisfied the arrangements set out above constitute a robust process for the budget calculations underpinning the Cabinet's proposals for the 2015/16 Budget.

7.14 It is, however, imperative that the Cabinet and Council continue to pursue the identification, and subsequent delivery, of the additional savings required from 2015/16 onwards as set out in this report, including consideration of options for reducing the identified need for the additional support from the Council's reserves required to balance the three year programme. It is deemed necessary by the Chief Financial Officer, therefore, to create, at the time the Council's 2014/15 outturn position is established in June 2015, a separate Budget Risk Reserve to be specifically earmarked for use in mitigating the risk of any slippage in the savings approved as part of this Medium Term Financial Strategy.

8 Adequacy of Reserves

8.1 Section 25 of the Local Government Act 2003 ['the 2003 Act'] also requires the Chief Financial Officer to report on the adequacy of the proposed level of financial reserves. The Council's Reserves Policy is set out at Appendix 3a, which the Council should formally review each year.

8.2 It is projected that the Council will have an un-earmarked General Fund Reserve of c£20m as at 31st March 2015; this reflects the fact that there has been no call on un-earmarked reserves thus far in 2014/15. The final position will be dependent however on the Council's financial outturn 2014/15 to be reported to Cabinet in June 2015.

8.3 This report outlines a need for a net drawdown from un-earmarked reserves of £4.3m over the three year period of the MTFS. However, in the first two years of the strategy un-earmarked reserves are expected to fall by £7.3m to be c£13.5m before being partly replenished to stand at an estimated £16.5m. The CFO has considered carefully whether this level of un-earmarked reserves is appropriate taking into account the financial risks faced by the Council; relevant considerations have been set out in Appendix 3.

8.4 The level of earmarked reserves will be subject to the approval of the Council and will be set at the level commensurate with their identified need.

8.5 The Council holds a number of reserves which are detailed in Appendix 3b and can be categorised as follows:

Non-earmarked (general) Reserves - These are held to cover the net impact of risks, opportunities and unforeseen emergencies;

Earmarked (specific) Reserves - These are held to cover specific known or predicted financial liabilities;

Other Reserves - These relate to ring-fenced accounts which cannot be used for General Fund purposes e.g. the Housing Revenue Account and schools' accumulated balances.

Appendix 3b also shows the projected movement on the reserves over the financial planning period 2015 - 2018. All reserves have been reviewed and their level judged to be adequate.

8.6 It is imperative the un-earmarked general reserves are adequate to meet the net financial impact of the risks and opportunities detailed in the report to the Cabinet on 10th February 2015 and any further areas identified in this report. These risks have been assessed as £12.5m, as set out in Appendix 3c. Accordingly the proposed levels of general reserves set out above, are judged to be adequate within the meaning of the 2003 Act. Notwithstanding this, the CFO is planning to create a specific earmarked budget risk reserve, following determination of the Council's financial outturn in June 2015, to provide additional resilience given the significant level of savings that have to be delivered over the medium term planning period.

8.7 No change to the Council's Reserves Policy is, therefore, recommended at this time.

9 Treasury Management

9.1 The Treasury Management Strategy Statement (TMSS) for 2015/16 (set out in Appendix 4) sets out the proposed strategy with regard to borrowing and investment of cash balances and the associated monitoring arrangements. It was initially considered by Corporate Committee on 25 November 2014. The committee then considered an updated version of the TMSS on 29 January 2015 and recommended it for approval by full Council. Overview and Scrutiny Committee also considered it on 26 January 2015 as part of the scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice; neither committee had any proposed changes or comments to make on the TMSS to Council.

9.2 The pattern of short term interest rates being significantly lower than medium and long term rates is expected to continue throughout 2015/16. Therefore the strategy proposes to continue keeping cash balances at a minimum, investing short term and only borrowing when necessary, with a preference for short term borrowing although opportunities to lock in rates for longer term borrowing in subsequent years are being evaluated.

9.3 The investment section of the TMSS proposes to maintain a minimum long term credit rating of A- for UK banks the Council can lend to. It is anticipated that fewer UK banks will meet this threshold and it is increasingly likely that some of the investment portfolio will be deposited with overseas banks.

9.1 The proposed prudential indicators are based on the capital programme as reported to Cabinet on 10 February 2015. Any future decision by the Council to undertake further debt financed capital expenditure will require a review of the prudential indicators by full Council.

10 Summary and Conclusions

10.1 This report finalises the Budget process and proposes no increase to Council Tax for 2015/16.

10.2 The level of financial reserves is also reported and those levels are considered to be adequate.

10.3 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires billing authorities such as Haringey, to calculate a Council Tax Requirement for the budget year, not its Budget Requirement as previously. The Council is also required to determine whether its increase in Council Tax for 2015/16 is ‘excessive’ and, if so, would trigger a referendum.

10.4 The recommendations of the Cabinet, together with changes consequent on the final Local Government Finance settlement announcement on 3 February 2015 are reflected in the formal Council Tax Resolution in Appendix 5.

10.5 The implications of the public spending reductions set out by the government in the Spending Review 2010 and subsequent announcements continue to pose major challenges to the Council. Additionally the Government has indicated that financial austerity will continue until at least 2020.

10.6 Over this period of funding reductions, the demand for the Council’s services is expected to increase and, in the medium term, it is also likely that interest rates and social care related spending will increase.

10.7 The Medium Term Financial Strategy 2015-18 recognises these drivers and risks, but it remains essential the Cabinet and Council keep the key assumptions under close review, identify and deliver the requisite level of savings, maintain financial discipline and control, focus on their highest priorities and strive to improve further the value for money the Council secures from its diminishing resources.

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11 Comments of the Chief Financial Officer and financial implications

11.1 As the report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.

12 Assistant Director of Corporate Governance Comments and legal implications

12.1 In accordance with section 67 of the Local Government Finance Act 1992 (the '1992 Act'), the functions of agreeing the budget and the calculation of Council Tax are to be discharged by the Full Council.

12.2 The Local Authorities (Standing Orders) (England) (Regulations) 2001 set out the process of approving the budget and provide that the adoption of the budget and calculation of the Council Tax by Full Council is to be on the recommendation of the Cabinet.

12.3 Under section 25 Local Government Act 2003, in considering decisions on the budget, and the level of Council Tax, the Council must take into account this report from the Council's Chief Finance Officer, as the Section 151 Officer, who has a statutory duty to report on the robustness of the estimates and the adequacy of the proposals for reserves.

12.4 The Council may take decisions which are at variance with this advice provided there are reasonable grounds so to do. However Members must take into consideration their exposure to personal risk if they disregard clearly expressed advice.

12.5 The Council has a legal duty to set a lawfully balanced budget and adoption of the recommendations in this report would fulfil the statutory obligations in this regard.

12.6 In accordance with section 31A of the 1992 Act, the Council is required to calculate the Council Tax chargeable by way of a Council Tax requirement. The Council must calculate its expected outgoings and income for the year. Where the expected outgoings exceed the expected income the difference is the Council's Council Tax requirement for the year. The relevant basic amount of Council Tax for the year is calculated by dividing the Council Tax requirement after the deduction of levies by the Council Tax base.

12.7 Under section 52ZB of the 1992 Act the Council is required to determine whether its proposed relevant basic amount of Council Tax is excessive on the basis of criteria set by the Secretary of State. It has been confirmed by the Referendums Relating to Council Tax Increases (Principles) (England) Report 2015/2016 that for 2015/16 an increase in excess of 2% above the relevant basic amount will be regarded as excessive and automatically trigger a referendum in the borough. The 'relevant basic amount' of Council Tax was redefined by section 41 of the Local Audit and Accountability Act 2014, and accordingly section 52ZX of the 1992 Act has been updated. Essentially an authority's relevant basic amount of Council Tax is the authority's own level of Band D Council Tax. With the proposal for a nil increase in the level of Council Tax, the Council is entitled to conclude in accordance with the Direction issued by the Secretary of State, that the relevant basic amount of Council Tax is not excessive.

12.8 In accordance with section 30 of the 1992 Act, the Council is required to set the Council Tax for the next financial year on or before 11 March. Under section 106 of the 1992 Act, any Member who is in arrears of two months or more Council Tax must declare it at the meeting and abstain from voting upon this report.

13 Equalities and Community Cohesion Comments

13.1 The Council must pay due regard to its public sector equality duties with regard to people who share any of the characteristics protected by sections 4 – 12 of the Equality Act 2010. These include race, sex (formerly gender), disability, age, religion or belief, sexual orientation, marriage and civil partnership and gender re-orientation.

13.2 Prior to making any final decisions on any proposals that may be brought forward in the medium term financial planning process the Council will assess the impacts of those by conducting Equality Impact Assessments [EqIAs], starting with an initial screening which considers whether there is a need for a full assessment.

13.3 A key element of the Council's EqIA process is consultation and engagement with the public, service users, community groups, the voluntary sector and our partners. All final decisions on proposals that require an impact assessment will take into account the outcomes and recommendations of the EqIA. Further details on how this will be achieved are included in the Cabinet report (Appendix 6).

13.4 Accordingly the outcomes and recommendations of EqIAs should form the Equality / Legal comments in any report. EqIAs are published on the Council's website where practicable and are appended to the relevant reports. Actions arising from EqIAs are included in Directorate Business Plans to ensure these are implemented and progress monitored.

14 Head of Procurement Comments

14.1 Not applicable.

15 Policy Implication

15.1 The Medium Term Financial Strategy represents the resource framework for delivery of Council Policy and objectives.

16 Use of Appendices

Appendix 1 – Summary of the MTFP 2015/16 to 2017/18

Appendix 2 – Cash Limits analysed by Assistant Director

Appendix 3 – Reserves
- 3a: Reserves Policy
- 3b: Reserves and their adequacy
- 3c: Risk evaluation

Appendix 4 – The Treasury Management Strategy Statement

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Appendix 5– The Formal Budget Resolution

Appendix 6 – Cabinet report of 10 February 2015: Medium Term Financial Strategy 2015/16 to 2017/18 including Annexes 1 – 6.

17 Local Government (Access to Information) Act 1985

17.1 The following background papers were used in the preparation of this report:

- Corporate Plan, Medium Term Financial Strategy and Workforce Plan 2015/16 to 2017/18 - Cabinet 16 December 2014
- Corporate Planning 2015/16 to 2017/18 - Cabinet 10 February 2015

17.2 For access to the background papers or any further information please contact Neville Murton Head of Finance (Budgets, Accounting and Systems Team) on 0208 489 3176.