

Amendments to Cabinet Report

1. Introduction

- 1.1. Cabinet considered the budget and MTFFS (2017 – 2022) report on the 14th February 2017. Additional information has been made available that requires that the detail in the Cabinet report be updated prior to full Council approving the budget. The changes to be made are detailed below.
- 1.2. In addition to the below amendments to the Cabinet report, the following appendices have been amended or added:
 - Appendix A – Medium Term Financial Strategy (2017 – 2022) amend appendix 1 of the Cabinet report;
 - Appendix B – 2017/18 General Fund Revenue Budget amend appendix 6 of the Cabinet report; and
 - Appendix C is a new appendix that sets out the policy on the flexible use of capital receipts.

2. Amendment to Priority Area Budget

- 2.1. Following review of the budget allocation process to priority areas, further realignment of priority area budgets is required prior to full Council approval of cash limits. This includes the allocation of public health and commissioning budgets to reflect the correct allocations to children's and adults' services is required and other minor adjustments between the priority areas.
- 2.2. These changes mainly affect paragraph 7 of the Cabinet report. The tables set out below have been amended to reflect the updated figures.
- 2.3. Table 1.1, 1.2 and 1.3 below amend table 7.3, 7.4 and 7.6 respectively in the Cabinet report of 14th February 2017 at annex 1.

Table 1.1 – Summary of funding assumptions 2017/18 – 2021/22

FUNDING ASSUMPTIONS					
	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Main Funding					
New Homes Bonus	5,712	4,200	4,228	4,899	4,899
Adult Social Care Grant	1,195	1,195	1,195	1,195	1,195
Revenue Support Grant	38,590	30,202	21,641	20,015	8,357
Council Tax	93,773	98,642	100,696	102,750	104,806
Retained Business Rates	22,084	20,824	20,758	21,173	21,597
Top up Business Rates	54,232	57,967	59,820	61,016	62,236
Total Main Funding	215,585	213,030	208,337	211,048	213,090
Core Grants					
Public Health	20,742	20,203	19,677	19,677	19,677
Other core grants	10,653	12,687	15,116	14,381	14,895
TOTAL (External) Funding	246,980	245,920	243,130	245,106	247,663
Contribution from/(to) Reserves	8,782	2,793	4,169	2,083	3,556
TOTAL FUNDING	255,762	248,713	247,299	247,190	251,219

Table 1.2 – Summary of expenditure and funding 2017/18 – 2021/22

EXPENDITURE ASSUMPTIONS						
	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Budget requirement b/f	255,627	255,762	248,713	247,299	247,190	1,254,590
Unavoidable growth	26,626	2,273	1,072	2,136	746	32,854
Original MTFS year 3 savings	(24,163)	(450)	0	0	0	(24,613)
Original savings not achievable	22,197	0	0	0	0	22,197
Additional savings	(18,800)	(1,000)	(500)	0	0	(20,300)
New investment	4,383	212	624	1,639	1,379	8,237
Additional income	0	(1,022)	(2,022)	(2,022)	(23)	(5,089)
Other adjustments	51	953	3,356	(362)	1,947	5,945
Additional savings	(10,159)	(8,016)	(3,944)	(1,500)	(20)	(23,639)
Budget requirement	255,762	248,713	247,299	247,190	251,219	1,250,182
Available funding	246,980	245,920	243,130	245,106	247,663	1,228,799
Contribution from/(to) Reserves	8,782	2,793	4,169	2,083	3,556	21,383

Table 1.3 – Summary of proposed MTFs budgets

Services	2016/17		2017/18		2018/19	2019/20	2020/21	2021/22
	£'000	%	£'000	%	£'000	£'000	£'000	£'000
Priority 1	52,742	21%	55,799	22%	52,687	52,488	52,268	52,349
Priority 2	87,311	34%	93,087	37%	94,793	96,941	100,216	103,872
Priority 3	29,550	12%	28,616	11%	24,564	22,414	20,414	20,414
Priority 4	15,145	6%	14,037	5%	14,088	14,088	14,088	14,088
Priority 5	3,881	2%	9,970	4%	9,397	10,120	9,372	9,064
Enabling	66,998	26%	54,253	21%	53,184	51,248	50,832	51,432
Total Budget	255,627	100%	255,762	100%	248,713	247,299	247,190	251,219

3. Council Tax Amendment

3.1. The lack of clear guidance regarding the application of the 3% increase relating to the adult social care precept meant that the council tax amounts in the earlier version of the budget report have since had to be revised.

3.2. In common with other Councils at the time, the original report to Cabinet used the more prudent of the two possible approaches available in calculating the basic council tax. Rather than apply the 3% increase to the 2016/17 council tax amount of £1,208.01, a more conservative approach was adopted that applied the agreed 3% increase to the 2015/16 pre-Adult Social Care precept council tax amount of £1,184.34.

3.3. Following clearer guidance on the application of the Adult Social Care precept increase, the council tax amount has been updated as the Council. The correct method is for the 3% Adult Social Care precept increase to be applied to the 2016/17 basic council tax as the base amount. This will mean that the band D council tax amount for 2017/18 is £1,244.25.

3.4. Tables 2.1 and 2.2 below amend table 6.3 and 6.4 respectively in the Cabinet report of 14 February 2017 at annex 1.

Table 2.1 Council Tax (excluding GLA) Precept by Band

Band	Ratio	Ratio as %	Amount £
Band A	6/9	67%	829.51
Band B	7/9	78%	967.75
Band C	8/9	89%	1,106.00
Band D	9/9	100%	1,244.25
Band E	11/9	122%	1,520.63
Band F	13/9	144%	1,797.26
Band G	15/9	167%	2,073.75
Band H	18/9	200%	2,488.50

Table 2.2 – Council Tax (including GLA Precept) by Band

Band	Ratio	Ratio as %	Council Amount £	GLA Precept £	Total Council Tax £
Band A	6/9	67%	829.51	186.68	1,016.19
Band B	7/9	78%	967.75	217.79	1,185.54
Band C	8/9	89%	1,106.00	248.91	1,354.91
Band D	9/9	100%	1,244.25	280.02	1,524.27
Band E	11/9	122%	1,520.63	342.24	1,862.87
Band F	13/9	144%	1,797.26	404.47	2,201.73
Band G	15/9	167%	2,073.75	466.70	2,540.45
Band H	18/9	200%	2,488.50	560.04	3,048.54

3.5. Other than the council tax adjustment, the amendments outlined above have nil impact on the level of reserves funding required in 2017/18.