

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	10 February 2016	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2800
TITLE:	Budget and Council Tax 2016/17 and Financial Outlook 2016/17 to 2019/20	
WARD:	All	

AN OPEN PUBLIC ITEM

List of attachments to this report:

Appendix 1 – Budget Aims and Ambitions

Appendix 2 – The Budget and Council Tax Proposal of the Cabinet 2016/17. This comprises a covering document, plus 4 Annexes

Annex 1 Draft Base Revenue Budget 2016/17 – individual service cash limits

Annex 2 Section 25 of the Local Government Act 2003 - Chief Financial Officer's Report on Adequacy of Balances and the Robustness of the Budget

Annex 3 Draft Capital Programme 2016/17-2020/21 including other emerging projects and programmes on an indicative basis - items shown for provisional approval.

Annex 3i Highways Maintenance Programme 2016/17

Annex 3ii Transport Improvement Programme 2016/17

Annex 3iii Schools Planned Maintenance Programme 2016/17

Annex 3iv Corporate Estate Planned Maintenance Programme 2016/17

Annex 4 Minimum Revenue Provision (MRP) Policy

Appendix 3 – 2016/17 Budget - Saving Details

Appendix 4 - Budget Setting Process – Advice of the Monitoring Officer

Appendix 5 – Council Pay Policy Statement

Appendix 6 – Equality Analysis on Budget Proposals

1 THE ISSUE

- 1.1 This report presents the Cabinet's revenue and capital budgets for the 2016/17 financial year together with a proposal for a Council Tax level for 2016/17.

2 RECOMMENDATION

The Cabinet is asked to recommend:

2.1 That the Council approve:

- a) The General Fund net revenue budget for 2016/17 of £115.729m and the associated Council Tax increase of 1.25% plus a further 2% for Adult Social Care, as set out in Appendix 2.
- b) That no Special Expenses be charged other than Town and Parish Council precepts for 2016/17.
- c) The adequacy of reserves at Appendix 2 Table 10 with a risk-assessed level of £10.5m.
- d) The individual service cash limits for 2016/17 summarised at Appendix 2 Table 6 and detailed in Annex 1.
- e) That the specific arrangements for the governance and release of reserves, including invest to save proposals, be delegated to the Council's Section 151 Officer in consultation with the Cabinet Member for Finance & Efficiency and the Chief Executive.

2.2 That the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils and the Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.

2.3 That the Council notes the Section 151 officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves (Appendix 2, Annex 2) and approves the conditions upon which the recommendations are made as set out throughout Appendix 2.

2.4 That in relation to the capital budget the Council:

- a) approves a capital programme of £58.063m for 2016/17 and notes items for provisional approval in 2016/17 and the programme for 2017/18 to 2020/21 as shown at Appendix 2, Annex 3 including the planned sources of funding .
- b) delegates implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 3i to Annex 3iv to the relevant Strategic Director in Consultation with the appropriate Cabinet Member.
- c) approves all other delegations as set out in the budget report.
- d) approves the Minimum Revenue Provision Policy as shown at Appendix 2, Annex 4
- e) approves the Capital Prudential Indicators as set out in Appendix 2 Table 8.

- 2.5 That the Council agree the Council's proposed pay policy statement, including the provision in respect of minimum pay rates in 2016/17 as set out at Appendix 5 delegating implementation arrangements to the Employment Committee where appropriate.
- 2.6 Authorise the Council's Section 151 Officer, in consultation with the Cabinet Member for Finance & Efficiency, to make any necessary changes and presentational improvements to the draft budget proposal for submission to Council.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The resource implications are contained within the body of the report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council is committed to ensuring that our financial decisions and the budgetary processes are subject to proportionate equality analysis.
- 4.2 Bath & North East Somerset Council can demonstrate that it has taken due regard for equality in its decisions by carrying out equality analysis. Thus the Council has a record of the equality considerations, which including the actions that would help to avoid or mitigate any negative impacts on people of particular protected groups.
- 4.3 Our decisions are supported by a strong evidence base (through effective use of equality mapping and Joint Strategic Needs Assessment) which help to make our decision-making processes more transparent. Further equality analysis can be undertaken as new information is made available.
- 4.4 When a budget proposal has implications for people covered by the Equality Act 2010, equality analysis must be carried out and the results considered before decisions are taken on the proposal. The decision maker must assure themselves that they are fully appraised of the equality implications of the decision proposed and should not assume the proposal must be approved. The report should contain a summary of the key findings from the equality analysis and actions that can be taken to remove or minimise any potential adverse impacts.
- 4.5 An Equality Analysis on budget proposals is included in Appendix 6.
- 4.6 Other issues considered include Social Inclusion; Customer Focus; Sustainability; Young People; Equality; Corporate; Impact on Staff and Other Legal Considerations such as the requirement to set a budget and Council Tax.

5 THE REPORT

- 5.1 In this document the Cabinet sets out the following:-

- Its medium term financial planning assumptions which set the basis for the draft budget proposal for 2016/17.
- Its draft budget proposal for 2016/17 (Appendix 2). This provides the detail of the first year of the Directorate Plans and recommends revenue and capital

budgets for 2016/17, together with capital commitments for future years, and recommends a level of Council Tax for 2016/17.

5.2 The budget proposal builds on the prudent financial management of the Council and is designed to maintain front line services as far as possible whilst recognising the significant financial challenge facing the public sector. The budget proposals include:

- A net £1.8m or 1.5% decrease in the non-schools budget to £115.729m
- An increase in the DSG estimated at £2.5m with total funding of £122.7m (including academies). The majority of the additional funding relates to the additional resources provided to accommodate increased pupil numbers in our schools. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.
- An increase in the Council's level of Council Tax, comprising a 2% Adult Social care precept and a 1.25% general increase in order to avoid cuts to frontline services. This excludes Police, Fire and Parish precepts.
- These budget proposals are set out in detail at Appendix 2.

5.3 It is important to be clear on the process to be followed in setting the 2016/17 Budget. The Monitoring Officer has given specific guidance which is set out at Appendix 4, and in particular the need for the Council to approve a balanced budget.

5.4 The Monitoring Officer has also highlighted the implications arising if it does not prove possible for the Council to set a budget at its meeting on 16th February and any decision having to be deferred until the reserve date on 25th February. This includes potential delays to the Council Tax billing process.

5.5 The Council is required under the provisions of the Localism Act 2011 and associated statutory guidance to publish an annual statement of its policies relating to the pay of its direct workforce, in particular its 'Chief Officers' and 'lowest paid employees'. The purpose of the statement is to provide a clear and transparent policy to the public, which demonstrates accountability and value for money for the financial year ahead.

5.6 Appendix 5 sets out for Council approval the draft Pay Policy Statement for 2016/17.

6 RATIONALE

6.1 The rationale for the recommendations is contained in the supporting paper to this report.

6.2 The Council's Section 151 Officer is the Divisional Director – Business Support. As Section 151 Officer his duties include ensuring a prudent and balanced budget is set on time which properly takes into account the financial constraints and risks facing the Council.

7 OTHER OPTIONS CONSIDERED

7.1 The supporting paper and appendices also contain the other options that can be considered in making any recommendations.

8 CONSULTATION

8.1 Meetings have been and will continue to be held with staff, trades unions and other stakeholders during the development of Directorate Plans which have fed into this budget. This has included five budget engagement meetings across the area hosted by the Connecting Communities Area Forums (Bath, Bathavon, Chew Valley, Keynsham and Somer Valley), enabling cross service consideration of the range of proposals by a range of stakeholders.

8.2 Representatives of the business community were engaged in these consultations as part of the Budget Engagement meetings.

8.3 Comments received from consultation, including the Area Forums, Policy Development and Scrutiny Panels and Trade Unions have been provided for consideration by the Cabinet.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 In addition Appendix 2 to this report includes (at Annex 2) the Section 151 Officer's assessment of the Robustness of Estimates and Adequacy of Reserves. One of the considerations taken into account is the Directors' Review of Robustness of Estimates and Budget Risks/Sensitivities and the Corporate Risk Register. This is completed by all Directors in respect of their own services.

Contact person	Tim Richens, Divisional Director – Business Support (01225) 477468
Background papers	Directorate Plan reports to Policy Development & Scrutiny Panels during November 2015. Consultation Response Summary – Report to Resources PDS 8 th February 2016 Financial Settlement 2016/17 and future years, CLG website
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