

BRECKLAND DISTRICT COUNCIL

Report of: Pablo Dimoglou, Executive Member Finance

To: Strategy Board, 16 November 2015
Overview & Scrutiny, 19 November 2015
Cabinet, 1 December 2015

(Author: Julie Kennealy, Shared Executive Director Commercialisation)

Subject: Draft Budget, Medium Term Plan and Capital Strategy

Purpose: To consider the draft capital & revenue budget estimates, the medium term financial plan and the capital strategy and release for consultation

Recommendation(s):

- 1) That the draft capital and revenue budget estimates, the medium term financial plan and the capital strategy are reviewed and released for consultation

1.0 BACKGROUND

- 1.1 The appendices to this report outline the 2016-17 revenue and capital estimates for the General Fund, the proposals for the setting of discretionary fees and charges, the outline position to 2019-20, the medium term financial plan and the capital strategy. The medium term financial plan sets out the framework within which the budget is to be set to ensure that it enables the Council to achieve its own corporate objectives. The capital strategy sets out the framework for the capital budget setting.
- 1.2 During recent years the council alongside many public sector service providers has experienced financial pressures in various combinations; public sector funding cuts, all time low returns on cash deposits and a national economic downturn affecting jobs, housing and business growth. During this same period the basis on which the public sector is funded has undergone unprecedented reform, radical changes that affect the council's funding financial position both directly and indirectly include National Welfare Reform, Localisation of Council Tax Relief, Business Rates Retention, New Homes Bonus and of course reduction and in some cases removal of a range of grant funding sources. Each change bringing elements of uncertainty in terms of impact.
- 1.3 Despite these challenges and as a result of the Council's strong financial focus, the Council has been well placed to secure a sustainable financial position across the medium term with no dependency on reserves. This position has enabled the Council time to develop a clear financial strategy in the medium and longer term to identify and deliver the more complex transformational changes required to meet the significant financial challenges of future years.
- 1.4 This complex change has already started with the recent approval of the transformation programme, identification of projects and the formation of task and finish groups. Some projects approved in the last year have already delivered returns, such as the LABV project and Thetford Riverside.
- 1.5 At this stage of the draft budget process, there are still areas which can be updated before the report is released to Cabinet if Members wish.

1.6 Budget Gap

Based on the draft medium term financial plan this is the current budget gap:

	2016-17	2017-18	2018-19	2019-20
	£'000	£'000	£'000	£'000
Before reducing RSG reliance	(167)	190	465	927
After reducing RSG reliance	20	842	1,384	1,846
Where we are going	-	-	-	-

1.7 This draft budget position does not require any reliance on reserves, however it does assume that the new homes bonus (NHB) is fully utilised to support the base budget. The MTFP includes an assumption that if RSG is received above the budgeted assumption, reliance on NHB will be reduced with a corresponding amount of NHB put to reserves, enabling Member choice on initiatives to use the windfall income for.

1.8 In previous years funding has been set aside to provide up-front investment for the transformation programme, which is in progress and no further funding is required at this stage.

2.0 OPTIONS

2.1 That the draft capital and revenue budget estimates, the medium term financial plan and the capital strategy are released for consultation

2.2 There are no alternative options presented, however amendments may be made before release for consultation

3.0 REASONS FOR RECOMMENDATION(S)

3.1 To comply with the budgetary and policy framework

4.0 EXPECTED BENEFITS

4.1 To set an affordable and balanced budget for 2016-17 which delivers on the Council's priorities

5.0 IMPLICATIONS

5.1 Carbon Footprint / Environmental Issues

5.1.1 It is the opinion of the Report Author that there are no implications.

5.2 Constitution & Legal

5.2.1 It is the opinion of the Report Author that there are no implications.

5.3 Contracts

5.3.1 It is the opinion of the Report Author that there are no implications.

5.4 Corporate Priorities

5.4.1 The budget should support the Council's priorities

5.5 Crime and Disorder

5.5.1 It is the opinion of the Report Author that there are no implications.

5.6 Equality and Diversity / Human Rights

5.6.1 It is the opinion of the Report Author that there are no implications.

5.7 Financial

5.7.1 The report is of a financial nature and financial implications are covered within the report and appendices

5.8 Health & Wellbeing

5.8.1 It is the opinion of the Report Author that there are no implications.

5.9 Risk Management

5.9.1 Risk has been considered and is included within the appendices.

5.10 Staffing

5.10.1 It is the opinion of the Report Author that there are no implications.

5.11 Stakeholders / Consultation / Timescales

5.11.1 Consultation is included within the appendices

5.12 Other

5.12.1 n/a

6.0 WARDS/COMMUNITIES AFFECTED

6.1 N/A

7.0 ACRONYMS

- 7.1 BPI - Basic Performance Increase
- 7.2 CIPFA – Chartered Institute of Public Finance and Accountancy
- 7.3 CLG – Communities for Local Government
- 7.4 LABV - Local Asset Backed Vehicle
- 7.5 LCTRS – Localised Council Tax Reduction Scheme
- 7.6 NHB – New Homes Bonus
- 7.7 NNDR/NDR – National Non-Domestic Rates (Business Rates)
- 7.8 PFI – Private Finance Initiative
- 7.9 PRP – Performance Related Pay
- 7.10 RSG – Revenue Support Grant
- 7.11 S31 – Section 31
- 7.12 VFM – Value For Money

Background papers:- [See The Committee Report Guide](#)

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Key Decision: No

Exempt Decision: No

This report refers to Mandatory & Discretionary Services

Appendices attached to this report:

Appendix A – Budget estimates and medium term financial plan

Appendix B – General Fund Summary

Appendix C – Tax Base

Appendix D & D2 – Fees and charges (*D2 to follow*)

Appendix E – Reserves

Appendix F – Sensitivities

Appendix G – Capital strategy

Appendix H – Capital estimates