

DRAFT BUDGET PROPOSALS 2019/20

1 Purpose

- 1.1 The Scrutiny Committee is asked to review the attached report on the draft budget proposals for 2019/20 (that were considered by Cabinet on 18 December 2018) and indicate any comments / feedback that it wishes Cabinet to taken into account in recommending to full Council the budget for 2019/20 and the Medium Term Financial Plan, as set out in summary form in the table at Appendix A to the Cabinet report.
- 1.2 Scrutiny's comments will be reported to the Cabinet meeting on 16 January, 2019, with Cabinet's recommendations for the budget for 2019/20, MTFP and proposed level of Council Tax then submitted to the full Council meeting on 6 February 2019.

2 Recommendations/for decision

- 2.1 The Scrutiny Committee is requested to indicate any comments it has on the draft budget proposals and Medium Term Financial Plan for 2019/20 that it wishes Cabinet to take into account in making final recommendations for full Council to approve.

3 Executive summary

- 3.1 Cabinet on 16 January 2019 will be agreeing the final recommendations for full Council on the draft budget for 2019/20 which includes the Medium Term Financial Plan, the proposed level of Council Tax, and proposed fees and charges for 2019/20. A copy of the Cabinet report and the background information used in putting together the draft budget is attached.
- 3.2 The Cabinet report highlights that there is still uncertainty around a number of issues particularly further reductions in Government Grant, retained business rates and the New Homes Bonus. In the few weeks since the initial proposals were considered by Cabinet, work has continued to refine the budget assumptions contained within that report. In practice, little has materially changed at a service level and so the significant elements of the final budget proposals are around the impact of the proposed Government Grant numbers and changes to other centrally funded support. Cabinet are due to review the final budget proposals on 16 January 2019.
- 3.3 The scrutiny committee are asked to note the outcome of the provisional local Government settlement for 2019/20 announced on 13 December 2018 and the impact on the final budget proposals. The main factors of the finance settlement were:
 - Updated Core Spending Power figures.
 - Confirmation of continuing cuts to RSG.
 - Removal of Negative RSG.
 - Increases to RSDG (+£16m) and NHB (+£18m) Funding.
 - £180m released from the BRR levy account.
 - Provisional Social Care Allocations of £650m (Budget 2018).
 - 15 new 75% Pilot areas announced for 2019/20 (and 7 back to 50%).
 - No changes to the Council Tax referenda principles (aside from Police).
- 3.4 Specifically, for AVDC:

- The important numbers of Revenue Support Grant and Baseline Business Rates were virtually the same as those announced for 2019/20 last year within the 4 year settlement. 2019/20 represents the last year of the 4 year settlement.
 - AVDC is better off by £690,000 due to the removal of Negative Revenue support grant. This non-recurrent benefit had largely been foreseen and has been earmarked to support growth.
 - Buckinghamshire has been awarded Pilot Status for 75% Business Rates Retention in 2019/20. The actual gain from this won't be known until the year end but it is estimated this could be circa £1.6 million for AVDC.
 - The Government heeded sector concerns about the dangers of reducing the benefit from NHB and they decided to leave the thresholds unchanged. AVDC will therefore receive £5.9 million next year under this scheme, approximately £100,000 more than estimated.
- 3.5 The final funding allocation for the 2019/20 settlement will be laid before the House of Commons in February 2019.
- 3.6 The Scrutiny Committee is requested to indicate any comments it has on the draft budget proposals for 2019/20 that it wishes Cabinet to take into account in making final recommendations for full Council to approve.

Contact Officer
Background Documents

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