



Medium Term Financial Plan and Business Unit Plans

Thursday 22 February 2018

Report from The Leader of the Council

Purpose of this Report

1. The purpose of this report is to gain Council's approval of the Revenue and Capital budgets for 2018/19 (and indicative budgets for the following three years). Also to approve the Net Budget Requirement, Council Tax Requirement and the level of Band D Council tax for the year. Finally, Council is asked to note the Business Unit Plans.

Background

2. Sections 42A and 42B of the Local Government Finance Act 1992 require the Council to set a balanced budget by 11th March of the preceding financial year. This report aims to fulfil that responsibility. It is the culmination of a lengthy process involving both Members and officers across the Council and includes engagement with both the public and partner organisations.

Strategic and Business Plans

3. The County Council conducted a review of the Strategic Plan at the Annual General Meeting in July 2017 where it was agreed that the plan remained fit for purpose in the changing local and national context. The Strategic Plan 2017-20 contains the priorities focused around three key themes:
 - Safeguarding the vulnerable
 - Creating Opportunities and Building Self-Reliance
 - Ensuring Buckinghamshire is Thriving and Attractive
4. The Council is politically led and the Council operates four Business Units and an Assistant Chief Executive's function to manage its affairs. Cabinet Members sit on

and lead each of the Business Unit Boards. **Appendix A (i to v)** sets out the executive summaries of the Business Unit Plans for the forthcoming year. The executive summaries set out the activities that each Business Unit will deliver under each of the Council's 3 strategic outcomes.

5. The plans provide a description of activities along with an overview of challenges and opportunities for the future. A budget overview is presented in each Plan along with some key contract information. The process of business planning is cyclical and is refined each year. We continually review the business and financial planning processes to improve the process for next financial year.

Local Government Finance Settlement

6. The Provisional Local Government Finance Settlement was published on 18th December 2017. In light of the previous decision to accept a four-year settlement in 2016/17 this contained limited changes, however it was announced that the Council Tax Referendum Threshold would increase from 2% to 3% for 2018/19 and 2019/20 in order to be more in line with current inflation levels
7. The Final Local Government Settlement was published on 6th February, which contained no material change from the Provisional Settlement on existing matters. However it was announced that there would be an additional **£1.045m** in 2018/19 to support pressures in Adults Social Care.

Council Tax

8. During January information has been received from the District Councils, which are the collection authorities for the purposes of Council Tax. They have reported an estimate of their surplus or deficit on collection, the net effect of which is an additional **£1.5m** over that assumed in the draft budget.
9. The increase in the Council tax Referendum Threshold has allowed an additional **£2.652m** of Council Tax receipts to be added in 2018/19 and an additional **£5.601m** in 2019/20.

Business Rates

10. From April 2013 a new funding regime was introduced allowing Council's to keep a proportion of business rates. After the Government keeps 50%, districts 40% and the fire authority 1%, the County's share is 9%. Last year there was a national revaluation of all properties for the purposes of calculating Business Rates. As part of this the local figures for Business Rates collection have reduced from the previous year, however this is compensated for by an increase in Top-up grant.

Consultation

11. In the autumn the County Council ran a general public consultation on its strategic priorities to gauge public opinion on which services are most valued and which less so. The results of the consultation were reported to Cabinet in early February. Following the Cabinet meeting in December, which agreed the draft budget, stakeholders also had an opportunity to e-mail any further comments for consideration. A meeting was also held with the Buckinghamshire Business Group in which the draft budget was discussed.

Revenue

12. The recommended 2018/19 revenue budget is attached at **Appendix 1**. **Appendix 2** sets out a summary of the changes from the previous year's budget and **Appendix 3** sets out these changes in more detail. These reflect the outcome of a robust challenge process including review by an examination in public by the Budget Scrutiny Committee (**Appendix 6**).
13. The Budget Requirement for 2018/17 excluding DSG is **£338.203m**. The Council is also required to agree its Council Tax Requirement. These budget proposals lead to a Council Tax Requirement of **£281.012m**, which equates to a 5.99% council tax increase including the Social Care Precept, or a Band D Council Tax level of **£1,291.04**. **Appendix 4** sets out the tax levels for each property band.

Capital Programme

14. The Capital proposals within the budget have followed a similar review and challenge process to revenue. **Appendix 5** details the schemes included within the recommended Programme together with the summary funding position. In 2018/19 the Programme includes a total investment of **£122.611m**, including **£36.614m** on school places and **£16.5m** on highways and footpath structural maintenance.

Recommendation

Council is asked to:

1. Approve the Revenue Budget for 2018/19 (and indicative budgets for the following three years) as set out in Appendices 1, 2 and 3 and a Net Budget Requirement of £338.203m in 2018/19;
2. Approve a Council Tax Requirement of £281.012m and a Band D council tax, for County Council spending of £1,291.04 in 2018/19;
3. Approve the Capital Programme as set out in Appendix 5;
4. Note the Budget Scrutiny Report
5. Note the Business Unit Plans.

LEADER OF THE COUNCIL

Appendix 1 – Summary of the Revenue Budget 2018/19 to 2021/22

Appendix 2 – Summary of changes to the budget

Appendix 3 – Detailed changes to the budget

Appendix 4 – Proposed Council Tax Levels by property band

Appendix 5 – Capital Programme

Appendix 6 – Report from the Finance, Performance and Resources Select Committee on its Budget Scrutiny Inquiry

Appendix Ai – Assistant Chief Executive's Service Business Plan Executive Summary

Appendix Aii – Communities, Health and Adult Social Care Business Plan Executive Summary

Appendix Aiii – Children's Social Care & Learning Business Plan Executive Summary

Appendix Aiv – Resources Business Plan Executive Summary

Appendix Av – Transport, Environment and Economy Business Plan Executive Summary