

**County Council meeting – 7 February 2017**

**ITEM 05 – REVENUE AND CAPITAL BUDGET 2017/18 TO 2019/20 AND TREASURY MANAGEMENT STRATEGY**

**REVISED RECOMMENDATIONS – TO REPLACE THE RECOMMENDATIONS PRINTED IN THE COUNTY COUNCIL AGENDA AND THOSE INCLUDED IN THE SUPPLEMENTARY AGENDA.**

**LEADER'S RECOMMENDATIONS**

**The Leader recommends that the County Council approves**

1. The council tax requirement for 2017/18 is set at £656,821,897.48 (Annex 3).
2. Increase the level of the general council tax by 1.99% (paragraphs 95 to 98).
3. Increase council tax by a further 3% for the adult social care precept, which will provide £18m to support the growth in demand for services.
4. Set the County Council precept for band D council tax at £1,331.55 which represents a 4.99% up-lift.
5. The council tax for each category of dwelling to be as in Annex 3.
6. That the payment for each billing authority, including any balances on the collection fund, will be as set out in Annex 3.
7. Agree to maintain the council tax rate set above after the Final Local Government Financial Settlement.
8. Delegate powers to the Leader and the Director of Finance to finalise budget proposals, updated to take into account new information.
9. Require the Chief Executive and the Director of Finance to continue their work to ensure delivery of planned efficiencies and service reductions (paragraph 92).
10. Approve the County Council's £1,666m gross revenue expenditure budget for 2017/18 for the substitute budget (Table 17).
11. Agree to support only capital schemes which are funded without requiring borrowing, unless a sustainable basis for funding borrowing costs is identified and a compelling business case developed that demonstrates best value in progressing a particular scheme (paragraph 110).
12. Note that the detailed programme of schemes will be agreed at the March 2017 Cabinet as part of the Medium Term Financial Plan.
13. Require a robust business case to be prepared (and taken to the Investment Panel for review) before committing expenditure for the use of:

- all revenue 'invest to save' proposals, and
- capital schemes (paragraph 109).

**Treasury management and borrowing: Cabinet recommends to Full County Council that they:**

14. Approve, with immediate effect, the Treasury Management Strategy for 2017/18 (Annex 2), which includes:
  - the investment strategy for short term cash balances;
  - the borrowing strategy for funding the capital programme;
  - the treasury management policy (Appendix 8);
  - the prudential indicators (Appendix 9);
  - the schedule of delegation (Appendix 11);
  - the minimum revenue provision policy (Appendix 12).

**That the following decisions have been approved by Cabinet:**

15. That services will develop detailed budgets and savings ahead of approval by Cabinet on 28 March 2017 when the final Medium Term Financial Plan (MTFP) 2017-20 will be presented.
16. That the draft MTFP for the financial years 2017-20 be approved, which includes:
  - the Total Schools Budget of £545.2m (paragraphs 66 to 71 in the Cabinet report);
  - overall cash limits for individual services for the proposed budget and the substitute budget.
17. A) Agree to establish a Sustainability Review Board comprising three cross party Members, the Strategic Director for Adult Social Care and Public Health, the Deputy Chief Executive and the Director of Finance.
 

B) Require this board to bring back an initial report to the Cabinet meeting on 28 March 2017 on progress towards identifying £30m permanent service reductions and up to a further £22m one-off reductions required to achieve a balanced budget in 2017/18.