

North Tyneside Council Report to Cabinet Date: 25 January 2017

ITEM 4

Title: 2017-2020 Financial Planning and Budget Process: Cabinet's Draft Budget and Council Tax Requirement proposals

Portfolio(s): Elected Mayor Finance	Cabinet Member(s): Mrs Norma Redfearn Cllr Ray Glindon
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Report from: Senior Leadership Team

Responsible Officer: Janice Gillespie, Head of Finance (Chief Finance Officer) Tel: 643 5701

Wards affected: All

PART 1

1.1 Executive Summary:

- 1.1.1 The budget proposals to be set out in this report have been developed in the context of the Our North Tyneside Plan and reflect the Plan priorities, but recognise the continued reduction in core funding, increasing cost pressures such as the impact of the National Living Wage and increasing demand for services in areas such as Adult Social Care and Children's Services.
- 1.1.2 At its meeting on 12 September 2016, Cabinet approved the process and timetable to be adopted for the preparation of the draft Financial Plan, 2017/18 revenue budgets in respect of the General Fund, Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA), and the 2017-2020 Investment Plan, as part of the overall Financial Planning and Budget process for 2017-2020. Cabinet also approved the budget engagement strategy as part of this report.
- 1.1.3 An Efficiency Plan was submitted to Central Government on 14 October 2016 in order to secure as far as possible the proposed level of Revenue Support Grant for this Authority that was announced as part of the 2016 Local Government Finance Settlement. The Efficiency Statement will be included as a background paper to this report.
- 1.1.4 The Authority's approach for 2017-20 is to achieve savings early where possible, to mitigate against future financial risks whilst working in a very different way to ensure that resources are most effectively targeted at the people who need them

most to ensure that all residents have a successful, healthy and safe future, no matter where they live in the Borough. This means that the Authority will need to:

- understand and manage demand;
- enable people to help themselves;
- use intelligence to target our resources to best effect;
- maximise income and reduce long-term cost;
- work in partnership to improve outcomes and,
- be innovative and utilise technology to improve outcomes.

1.1.5 On the 15 December 2016, the Provisional Local Government Finance Settlement for 2017/18 was announced. The announcement has not led to a significant change to the overall financial position of the Authority. There were significant reductions to the amount of New Homes Bonus and Education Services Grant that are available to the Authority in 2017/18 but there was also an increase in the amount of Grant available to the Authority to fund Adult Social Care. A Settlement Consultation was published with a closing date of 13 January 2017.

1.1.6 On 28 November 2016, Cabinet considered its initial budget proposals, based on information available at that point in time. Cabinet will now need to receive this report and consider its estimates of amounts for the 2017/18 Council Tax requirement including the General Fund Budget, the 2017-2020 Investment Plan, and the Treasury Management Statement and Annual Investment Strategy for 2017/18. Updates to these will be provided in the report to follow

1.1.7 This initial report is submitted at this stage as work continues to be undertaken to update the Financial Plan and Budget following the announcement of the Provisional Local Government Finance Settlement on the 15 December 2016.

1.2 Recommendation(s):

1.2.1 The recommendations to Cabinet will be included in the final report

1.3 Forward plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 19 December 2016.

1.4 Council plan and policy framework:

1.4.1 The Budget and Policy Framework Procedure Rules are set out in Part 4.7 of the Authority's Constitution. The Budget is guided by paragraph 4.7.3 covering the process for the preparation, consideration and final approval of the Authority's Council Tax requirement and Council Tax level. The statutory and constitutional requirements for preparing, considering and approving these issues drive the timetable for the Financial Planning and Council Tax setting process of the Authority.

- 1.4.2 The development of the Financial Plan and Budget has followed the same timetable as in previous years. The priorities in the 2016-2019 Council Plan - 'Our North Tyneside' provides the strategic framework within which budget resources are allocated.
- 1.4.3 The Financial Planning and Budget process is a fundamental part of the overall governance and assurance framework of the Authority. This in turn provides assurance that is considered as part of preparing the Annual Governance Statement each year.

1.5 Information

An initial report is submitted at this stage to allow time for the impact of the changes announced immediately before Christmas in the 2016 Provisional Local Government Finance Settlement to be assessed and the NNDR1 finalised to enable to final impact on the budget to be addressed fully.

PART 3 - SIGN OFF

- Deputy Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy