

## County Council – 7 February 2017

### REVENUE AND CAPITAL BUDGET 2017/18 TO 2019/20, AND TREASURY MANAGEMENT STRATEGY – update sheet

Changed text shown in **bold and underlined**

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Table 9 Changes due to the Provisional Settlement 2017 18:

	2017/18	2018/19	2019/20	2017-20
	£m	£m	£m	£m
Adult Social Care precept (potential additional 1%) *	6.2	6.5	-12.7	0.0
2017-18 Adult Social Care Support Grant	4.0	0.0	0.0	4.0
New Homes Bonus	-1.2	-0.3	-0.3	-1.8
Total potential change to MTFP	9.0	6.2	<b><u>-13.0</u></b>	2.2

\* If the council uses the new flexibility around the Adult Social Care precept, it will attain the permitted 6% rise in 2017/18 and 2018/19 and would have to forgo the planned 2% rise in 2019/20 (as indicated by the -£12.7m)

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108. Table 18 summarises the council's £408m capital programme for the three years of MTFP 2017 20. **Annex 5** sets out a more detailed version of the capital programme.

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1.17 In September 2016 the Council forecast an in year over spend on the revenue budget of £22m if no actions to contain expenditure were implemented. Since then the Chief Executive and Directors have put in place a series of measures and actions to stop or delay expenditure. As a result the current year's budget is moving closer to being balanced at the **year end** although as many actions are one-off or short term, there remains an underlying pressure moving into future years' budgets of £22m in 2017/18.

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1.22 The final accounts for 2015/16 show available general balances at 31 March 2016 of £21.3m. The latest budget monitoring position for 2016/17 forecasts that this level will be maintained at £21.3m by 31 March 2017. Appropriate levels of general balances are necessary to be maintained so that the Council can respond to unexpected emergencies. In recent years this balance has been set at between 2.0% and 2.5% of the sum of council tax and settlement funding, i.e. £16m to £20m. Although the current expected level is marginally in excess of this, the Director of Finance considers this prudent in view of the increasingly high level of service reductions and efficiencies required for the last 6 years (the average between 2010 and 2015 was around £66m, and this was consistently delivered), but this has increased to £83m for 2016/17.

**3. Actions**

**Our financial management arrangements will provide:**

- Strong financial leadership that communicates clearly and openly
- Transparent reporting, including publishing a **three**-year Medium Term Financial Plan
- A council tax that meets demand pressures
- Flexibility to respond to pressures and challenges