

COUNTY COUNCIL MEETING – THURSDAY 23rd FEBRUARY 2017

CONSERVATIVE GROUP AMENDMENT

ANNUAL BUDGET 2017/18

The Recommendations moved by the Chairman of the Finance and Property Committee as shown on pages 17 and 18 of the report be deleted and replaced by the following:

Recommendations

It is recommended that:

1. The Annual Revenue Budget for Nottinghamshire County Council is set at £469.779 million for 2017/18, including the following amendments in order not to implement a 1.75% Council Tax increase (set out at Appendix A):

Committee Analysis	£000
Adult Social Care & Health	950
Children & Young People	1,566
Economic Development	150
Community Safety	100
Transport & Highways	600 (-)
Policy	600
Finance & Property	1,450
Total Adjustments to Portfolio Budgets	4,216
Commercial Development Unit	250
Interest on Borrowing	34
Use of Reserves	1,000
Total Adjustments	5,500

2. The principles underlying the Medium Term Financial Strategy, as amended, be approved.
3. The Finance and Property Committee be authorised to make allocations from the General Contingency for 2017/18.
4. The 3.00% Social Care Precept is levied in 2017/18 to part fund increasing adult social care costs.
5. The County Council element of the Council Tax is frozen at the 2016/17 levels with the various Bands of property being:

Band	Value as at 1.4.91	No. of Properties	% no. of properties	Ratio	County Council 2016/17 £	County Council 2017/18 £	Change £
A	Up to £40,000	142,310	39.8	6/9	860.44	886.25	25.81
B	£40,001- £52,000	73,840	20.6	7/9	1,003.85	1033.97	30.12
C	£52,001- £68,000	61,170	17.1	8/9	1,147.25	1181.67	34.42
D	£68,001- £88,000	40,680	11.4	1	1,290.66	1329.38	38.72
E	£88,001- £120,000	22,620	6.3	11/9	1,577.47	1624.79	47.32
F	£120,001- £160,000	10,870	3.0	13/9	1,864.29	1920.22	55.93
G	£160,001 - £320,000	6,010	1.7	15/9	2,151.10	2215.63	64.53
H	Over £320,000	470	0.1	18/9	2,581.32	2658.76	77.44

6. The County Precept for the year ending 31 March 2018 shall be £324,916,831 and shall be applicable to the whole of the district council areas as General Expenses.
7. The County Precept for 2017/18 shall be collected from the District and Borough Councils in the proportions set out in the table below:

District Council	Council Taxbase	County Precept £
Ashfield	32,546.20	43,269,053
Bassetlaw	33,916.77	45,091,179
Broxtowe	33,126.78	44,040,914
Gedling	36,306.09	48,267,697
Mansfield	28,894.98	38,414,882
Newark & Sherwood	37,828.75	50,292,022
Rushcliffe	41,777.00	55,541,084
Total	244,396.57	324,916,831

8. The County Precept for 2017/18 shall be collected from District and Borough Councils in the proportions set out in paragraph 7 above with the payment of equal instalments on the following dates:

2017	2017	2018
20 April	12 September	2 January
26 May	17 October	2 February
3 July	21 November	9 March
7 August		

9. The Capital Programme for 2017/18 to 2020/21 be approved, including amendments set out below, at total amounts of:

2017/18	£101.040m
2018/19	£78.506m
2019/20	£44.355m
2020/21	£43.879m

10. The variation to the Capital Programme, as amended for the reduction of £1.480 million to the allocation for Extra Care in 2017/18 be approved.
11. The Minimum Revenue Provision policy for 2017/18 be approved.
12. The Prudential Indicators be approved.
13. The Service Director – Finance, Procurement & Improvement be authorised to raise loans in 2017/18 within the limits of total external borrowings.
14. The Treasury Management Strategy for 2017/18 be approved.
15. The Treasury Management Policy for 2017/18 be approved.
16. The report on the Annual Budget for 2017/18, and the Capital Programme 2017/18 – 2020/21 as amended, be approved and adopted in order not to implement a 1.75% Council Tax increase in 2017/18.

Cllr Reg Adair

Deputy Conservative Group Leader &
Group Spokesperson for Finance &
Property

Cllr Kay Cutts MBE

Conservative Group Leader

Conservative Group Amendment 2017/18

	£000	
Adult Social Care & Health		
Administrative structure review	700	
Duplication between NHS and NCC	200	
Healthwatch	50	
	950	
Children & Young People		
Administrative structure review	500	
Not funding all budget pressures	1,066	
	1,566	
Economic Development		
Economic development initiatives budget	150	
	150	
Community Safety		
Staffing and initiatives Budget	100	
	100	
Transport & Highways		
Investment in highways	1,000	(-)
Not funding all budget pressures	400	
	600	(-)
Policy		
County Council senior management restructure	300	
Legal & Democratic Services	100	
Marketing & communications	200	
	600	
Finance & Property		
ICT replacement programmes including Smarter Working requirements	500	
Consolidation of all commissioning & contract management functions	400	
Improved procurement / new operating model	250	
Reduction in planned maintenance / dividend from Scape	300	
	1,450	
Total Adjustments to Portfolio Budgets	4,216	

REVISED TABLE 9

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Year on Year Savings requirement (February Report)	15.1	17.2	17.9	-	50.2
Adjustments to Savings / Base Budgets	(7.1)	(0.4)	1.7	-	(5.8)
Review to Pressures and Inflation	1.9	(1.4)	(2.3)	11.8	10.0
Adjustments for Pay/Pensions Costs	2.0	(0.3)	(0.3)	2.0	3.4
Changes in Interest and Borrowing	1.0	0.3	-	(0.4)	0.9
Increase use of General Fund Balance	(5.8)	5.5	-	-	(0.3)
New Adult Social Care Support Grant	(3.5)	3.5	-	-	-
Changes to Government Grants	1.4	0.1	(0.6)	6.6	7.5
Collection Fund Surplus / Deficit	(2.4)	2.4	-	-	-
Change in Council Tax Base	(1.2)	(0.3)	(0.1)	(4.6)	(6.2)
Change in Assumptions for Council Tax Increases	6.3	6.6	-	-	12.9
Increase of ASC Precept 3%	(9.4)	-	-	-	(9.4)
Other Corporate Adjustments	1.7	(2.2)	0.3	(0.1)	(0.3)
Revised Gap	-	31.0	16.6	15.3	62.9

**FINANCIAL AND CONSTITUTIONAL IMPLICATIONS OF THE
CONSERVATIVE GROUP'S AMENDMENT - COMMENTS OF THE SERVICE
DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT AND THE
CORPORATE DIRECTOR - RESOURCES**

1 Purpose

- 1.1 The purpose of this report is to set out the financial and constitutional implications of the Conservative Group's Budget Amendment and provide an opinion on whether it meets the funding requirements contained in the Local Government Finance Act 1992, the Local Government Act 2003, the CIPFA Prudential Code for Capital Finance, and is in accordance with the legal requirements and the Council's constitution.

2 Financial Implications

- 2.1 The impact of the Amendment is to increase the savings across Portfolio budgets in 2017/18 by a total of £4.216 million as summarised below:

Committee Analysis	£000
Adult Social Care & Health	950
Children & Young People	1,566
Economic Development	150
Community Safety	100
Transport & Highways	600 (-)
Policy	600
Finance & Property	1,450
Total Adjustments to Portfolio Budgets	4,216

- 2.2 This, together with the further measures outlined below, will avoid the need to implement a 1.75% council tax increase of £5.5 million in 2017/18.
- 2.3 A further £1.0 million will be released from revenue balances in 2017/18, predicated on a greater than anticipated overall County Council underspend in 2016/17. This will support a one-off investment in measures to deal with potholes in 2017/18.
- 2.4 The change to the capital programme of the deletion of £1.48 million intended for Extra Care will release £0.034 million of revenue provision relating to interest payments avoided on borrowing in 2017/18.

- 2.5 It is proposed that more services should be processed through the Commercial Development Unit to drive out more efficiencies and improve commercialisation. This will deliver a further £0.250 million.

3 Commentary on the Proposals

- 3.1 The Social Care Precept of 3% in 2017/18 is proposed to be levied but the 1.75% increase in Council Tax will not be implemented, resulting in the loss of a potential increase in Council Tax receipts of £5.5 million. This will be offset by the proposed adjustments to Portfolio budgets and the generation of efficiencies via the Commercial Development Unit, together with the release of £1.0 million from revenue balances and a reduction in interest payments on borrowing through the reduction in the capital programme.
- 3.2 There will be no impact on the MTFS over the three years 2018/2021.
- 3.3 The proposed changes to the capital programme will not result in any changes to the Prudential Indicators.

4 Conclusion

- 4.1 In the opinion of the Service Director – Finance, Procurement & Improvement, this Amendment meets the requirements of the Local Government Finance Act 1992, the Local Government Act 2003 and the CIPFA Prudential Code.
- 4.2 In the opinion of the Corporate Director – Resources, the proposals contained in the Conservative Group's Amendment are in accordance with the law and the County Council's Constitution.

NIGEL STEVENSON

SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

JAYNE FRANCIS-WARD

CORPORATE DIRECTOR - RESOURCES