



REPORT of INTERIM DIRECTOR OF RESOURCES

**to
COUNCIL
16 FEBRUARY 2017**

REVISED 2016 / 17 AND ORIGINAL 2017 / 18 BUDGET ESTIMATES AND COUNCIL TAX 2017 / 18

1. PURPOSE OF THE REPORT

- 1.1 The Council is required under the Local Government Finance Act 1992 to set the Council Tax for its area by no later than 11 March. The Council has always aimed to approve the budget by early March in order to ensure prompt despatch of bills and hence quicker collection of sums due.
- 1.2 The revised 2016 / 17 and proposed 2017 / 18 budgets estimates contained in this report were considered by the Finance and Corporate Services Committee (F&CS) on 31 January 2017 and its recommendations are contained in this report for consideration and approval (please also see section 3.5 of this report).
- 1.3 Members should note that at the time of writing this report, the Final Local Government Finance Settlement had not been announced and therefore the 2017 / 18 core grant for the authority could potentially change. The final settlement is expected to be announced in early February.
- 1.4 Going forward, the Council will have suffered a cumulative loss of about 52% (£1.262m) of core grant over the life of the Spending Review period (i.e. 2016 / 17 – 2019 / 20). This is worse than the England average reduction of 32% and Shire District average reduction of 44%. This is a significant challenge to the Council and that savings of £1.04m will need to be found to close the budget gap. Whilst the Council's focus remains on safeguarding services it will be increasingly difficult to find recurring efficiencies of this magnitude and guarantee no impact upon frontline services. This will also happen against a backdrop of wider central government policy changes such as the rollout of Universal Credits, further localisation of business rates and transfers of responsibilities from the government to local government and within local government.

2. RECOMMENDATIONS

- (i) That Maldon District Council will continue to be a member of the Essex Business Rates Pool in 2017 / 18 on account of the financial benefit as described in section 3.5 of the report, be noted;

- (ii) that the decision to fund the Pension deficit in 2017 / 18 as described in section 3.7 of the report is noted;
- (iii) **that the following be approved:**
 - (a) the Summary Revised 2016 / 17 and Original 2017 / 18 General Fund Revenue Budget Estimates (**APPENDICES 1, 2 and 3**)
 - (b) an average Band D council tax of £187.37 (excluding parish precepts) (2.74% increase) for 2017 / 18 (**APPENDIX 1**);
 - (c) the detailed Fees and charges for 2017 / 18 as set out in **APPENDIX 6**;
 - (d) delegated authority be given to the Chief Executive and Interim Director of Resources in consultation with the Chairman of the Planning and Licensing Committee and the Chairman of the Finance and Corporate Services Committee to agree the land Charges fees and Charges for 2017 / 18;
 - (e) the policies on the designated use of financial reserves (**APPENDIX 7**);
 - (f) an increase in the minimum general fund working balance from £2,300,000 to £2,500,000 for 2017 / 18;
 - (g) an injection of £200,000 from General Reserves into the Repairs and Renewals Reserve at 31 March 2017;
 - (h) the Capital Programme for 2017 / 18 to 2020 / 21 (**APPENDIX 9**);
 - (g) the prudential indicators set out in section 3.12.2 and 3.12.3 of the report on the Capital Programme and Prudential Code Indicators; and
- (iv) that the Council gives due regard to the Interim Director of Resources statement on the robustness of budgets and adequacy of reserves in **APPENDIX 10**.

3. SUMMARY OF KEY ISSUES

3.1 The requirement to set a balanced budget has required stringent processes to deliver efficiencies, preserve as far as possible front line services, retain the ability to generate income and to recognise the increasing demand for services in these difficult times.

3.2 Provisional Local Government Finance Settlement 2017 / 18

3.2.1 The provisional 2017 / 18 local government finance settlement was announced on 15 December 2016. The Government altered the distribution of funding between tiers of local government in 2016 / 17, which has shifted resources from lower tier to upper tier authorities. In fact, Shire Districts will see their funding reduced by 44% over the Spending Review period compared to the national average reduction of 32%. The

level of reduction for Maldon is much more severe at 51% (£1.25m) and this is mainly caused by a new methodology used for determining authorities' Revenue Support Grant (RSG) allocations. Rather than applying the same percentage cut to all authorities, the new approach takes into account individual authorities' council tax raising ability and the type of services they provide. The change in methodology has led to a fundamental shift of resources from authorities such as Maldon.

	2015 / 16 Adjusted	2016 / 17	2017 / 18	2018 / 19	2019 / 20
	£m	£m	£m	£m	£m
Settlement Funding Assessment – Maldon	2.447	1.964	1.601	1.477	1.196
Annual % Change		-19.7%	-18.5%	-7.8%	-19.0%
Cumulative % Change		-19.7%	-34.6%	-39.6%	-51.1%

3.2.2 The 2016 / 17 Settlement announced the opportunity for councils to accept a multi-year settlement offer, which would give greater certainty of funding until the end of the Parliament. The offer included:

- Revenue Support Grant;
- Business rates tariff and top up payments, which will not change for reasons relating to the relative needs of local authorities;
- Rural Services Delivery Grant; and
- Transition Grant.

3.2.3 The Council agreed to take up the offer. Essentially, the Council can expect to receive the allocations published as part of the 2016 / 17 local government finance settlement in 2017 / 18, 2018 / 19 and 2019 / 20 subject to future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events.

3.2.4 The New Homes Bonus (NHB) Scheme was introduced in 2011 / 12 as a way to encourage local authorities to facilitate housing growth. In essence, for every additional property built or brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes. At present the NHB rewards all net additions in an area for six years. Following a consultation titled 'New Homes Bonus: Sharpening the Incentive' in 2016 the Government has decided to reform the NHB. These reforms are:

- The length of New Homes Bonus payments will be reduced from six years to five years in 2017 / 18 and four years from 2018 / 19. From 2017 / 18 the government will also introduce a national baseline for housing growth of 0.4% below which NHB will not be paid reflecting a percentage of housing that would have been built anyway. The Government will retain the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth. This will result in £1.16 billion being held back.
- In 2017 / 18 the government proposes to provide £240 million from the New Homes Bonus reforms to authorities with adult social care responsibilities.

- From 2018 / 19 the government has stated that it will consider withholding NHB payments from local authorities that are not planning effectively, by making positive decisions on planning applications and delivering housing growth. To encourage more effective local planning the government will also consider withholding payments for homes that are built following an appeal.
- As the Government is implementing wider planning reforms including measures announced at Autumn Statement and through the Neighbourhood Planning Bill and forthcoming Housing White Paper, it has decided not to introduce the proposals to withhold payments for areas without a local plan in 2017 / 18. However, the Government will revisit the case for withholding New Homes Bonus from areas not delivering on housing growth from 2018 / 19.

3.2.5 The Council will see a reduction in funding as a consequence of the reduction to legacy payments in 2017 / 18 of £57,000 and significantly more in future years compared to the amounts it has received previously. It is anticipated that this will be offset in some years by new housing growth that is currently in the pipeline, assumptions have been based on the same rate of growth as built into the Council Tax base and other property based budgets in the interests of consistency. The Council's Medium Term Financial Strategy (MTFS) has been prepared on this basis.

3.3 **Revised General Fund Revenue Budget Estimates 2016/17**

- 3.3.1 Overall the predicted outturn shows an improvement from the £184,000 being taken from balances shown when the budget was set in February 2016, to £46,000 predicted to be taken now (£138,000 improvement). However, this disguises a number of large variations, some favourable and some adverse (**APPENDICES 1 and 2**).
- 3.3.2 The proposal in this report to inject a further £200,000 into the Repairs and Renewals Reserve is one key factor, without this transaction which is just an internal movement the improvement is £338,000.
- 3.3.3 The additional income generated by the Councils decision to change Car Parking Policy in April 2016 has generated significant additional income. This together with additional Government grant received after the budget was set improved the income position, which was further supplemented by additional income from good weather in the summer (Splash Park). Unfortunately, this was offset to a large degree by a significant shortfall in Planning income which has been previously reported.
- 3.3.4 Additional income is being generated from growth in Local Business Rates, pooling arrangements within the Essex Region Business Rates Pool and as a result of the performance linked Council Tax collection sharing agreement with Essex County Council.

3.3.5 Revenue Supplementary Estimates agreed during the year total £50,100 and are as follows:

Description	£
Agency cover for Director of Resources	19,600
Recruitment of Replacements for Directors of Resources & Planning	30,500
Total	50,100

3.4 General Fund Revenue Budget Estimates 2017 / 18

3.4.1 The proposed 2017 / 18 net operating budget after adjusting for statutory adjustments and the forward funding of the Pension Deficit (before contribution to/from reserves and adjustments) totals £7.764m and is therefore £0.374m (4.6%) lower than 2016 / 17 (£8.138m). This reduction in net expenditure is being achieved through savings and income generation despite inflation included and running at 1.3%¹ (Consumer Price Index (CPI)) and some limited growth built into the new budget. The overall projected use of un-ringfenced General Fund balances in 2017 / 18 is £695,000, which indicates that after excluding the large Pension deficit forward funding element (£1.019m) the Council has achieved a balanced budget in 2017 / 18 (**APPENDICES 1 and 3**).

3.4.2 The budget estimates have been built up as follows:

- Current approved budgets;
- Increases for inflation (1% for pay), contractual inflation on goods and services based upon CPI or other indexes built into contracts;
- Modifications to fee and grant income;
- Implications of statutory and contractual changes;
- Budget Scrutiny, Growth and Savings/Income Generation proposals as discussed later in this report.

3.5 Budget Scrutiny, Growth, Savings and Income Generation in 2017 / 18

3.5.1 Following the budget scrutiny exercise in summer 2016 and Members budget seminar on 18 October 2016, the programme committees considered reports on the budget growth, savings and fees and charges policy areas including income generation proposals for 2017 / 18 in the previous cycle of meetings. F&CS considered and agreed to include all the proposals into the 2017 / 18 budget at its meeting on 29 November 2016. All the proposals together with other savings areas that have emerged during the budget process are at **APPENDICES 4 and 5**.

3.5.2 Furthermore, the Committee also agreed non-recurring growth in 2017 / 18 in relation to repairs and renewals of Council assets which would not form part of the capital programme; this totals £37,700 and is funded from a draw down from the Repairs and Renewals reserve. The balance remaining on the Repairs and Renewals Reserve will

¹ CPI November 2016

be nearly exhausted to fund the full proposed programme in 2017 / 18. It is therefore suggested by the Interim Director of Resources that the Reserve be replenished by £200,000 in this financial year (2016 / 17) at year end in order to provide funding at the same level over the current MTFS outlook period.

3.6 Essex Region Business Rates Pool

3.6.1 As agreed by the Council in October 2015, the Council joined the Essex Region Business Rates Pool from April 2016. The government has confirmed to Essex County Council (the Lead Authority in the Pool) that the Pool can continue to operate in 2017 / 18 and at the time of writing this report no changes to the Pool membership had been notified. The Council will continue to benefit by being in the Pool in 2017 / 18. It is estimated that £214,000 will be saved from the levy payable to the government in 2016/17 (a saving of £50,000 was prudently put into the budget as it was not clear if the level of saving outlined in the report to the F&CS on 29 October 2015 could be fully realised due to the risks involved in the Business Rates Retention system). Again for 2017 / 18 a prudent anticipated gain of £50,000 has been included in the budget as it is not possible to know how the 2017 Business Rates Revaluation and the anticipated business rates growth of the individual members in the Pool might impact it as a whole.

3.7 Pension Funding

3.7.1 A revaluation of the Pension Fund took place on 31 March 2016 and the results were discussed in a report to the Finance and Corporate Services Committee on 29 November 2016. The Council has been given different deficit options for the funding of the Pension Deficit over the next three years and the Council agreed to delegate this decision to the Interim Director of Resources in consultation with the Chairman of the Finance and Corporate Services Committee. Financial analysis of the options has concluded that there would be significant financial benefit to the Council of using the option to forward fund the deficit for the next three years in 2017 / 18 (1 April 2017). The Council is in a position to use this option given the level of the reserves. It is proposed that the amount taken from reserves to achieve this in the 2017 / 18 budget is repaid to general reserves in 2018 / 19 and 2019 / 20 and this assumption has been built into the MTFS.

Appraisal of Pension Fund Deficit Recovery Options					
	2016 / 17	2017 / 18	2018 / 19	2019/20	Total
	£	£	£	£	£
Base Budget	702,255				
Option D No Stepping		603,440	603,440	603,440	1,810,320
Option E No Stepping		1,721,710	-	-	1,721,710
Cost / (Saving)		1,118,270	(603,440)	(603,440)	(88,610)
Additional Cost above 2016/17 budget and Payback		1,019,455	416,015	(187,425)	1.69 years
Option D Net Present Value		603,440	603,138	602,837	1,809,415
Option E Net Present Value		1,721,710			1,721,710
Cost / (Saving)		1,118,270	(603,138)	(602,837)	(87,705)

3.8 Discretionary Fees and Charges

- 3.8.1 Discretionary fees and charges have been set in accordance with policy agreed by Programme Committees in November 2016. The changes proposed, together with the detailed fees and charges and the levels of anticipated income are at **APPENDIX 6**.
- 3.8.2 Income budgets have been adjusted to take account of the proposals agreed at the time of writing this report.
- 3.8.3 In 2016 / 17, delegated authority was given to the Director of Planning and Regulatory Services and Director of Resources in conjunction with the Chairman of the Planning and Licensing Committee and the Chairman of the Finance and Corporate Services Committee to agree the Land Charges fees and charges for 2016 / 17. This was due to the fact there were legal challenges on the information the Council could legally charge for and what it could not. This related to the information that should be made available without a charge under the Environmental Information Regulations (EIR).
- 3.8.4 A further development on the Land Charges fees and charges during 2016 / 17 is that it has been established nationally that VAT should apply to Land Charges CON29 searches. The Council is currently working to introduce this requirement as HM Revenue and Customs (HMRC) is aware that software systems will require to be updated for this. Like the Building Control service the Land Charges service operates in a competitive environment and the fees and charges need to be set in that context to ensure that at the very least the service breaks even taking into account the VAT. It is therefore suggested that for 2017 / 18 that delegated authority is given to the Chief Executive and Interim Director of Resource in consultation with the Chairman of Planning and Licensing Committee and the Chairman of Finance and Corporate Services Committee to agree the Land Charges fees and charges.

3.9 Interest on Investments

- 3.9.1 Interest from investment income is an integral part of the budget considerations. The current economic climate has seen the Bank of England base rate remain at the lowest level since March 2009. In addition, the Treasury Management and Investment Strategy operates within a tight framework to minimise the risk on investments. Consequently, officers last year sought to diversify the Council's investment portfolio as far as possible. The Council's investment income now includes returns from the Local Authority Property Fund (LAMIT) as well as short term money market deposits.

3.10 Council Tax

- 3.10.1 The Council's net expenditure budget (excluding parish precepts but after contribution from reserves) for 2017 / 18 is £6,541,000. The Budget Summary set out in **APPENDIX 1** has been reprofiled in the 2017 / 18 column to clearly show the generation of income from the Local Business Rates Retention scheme.
- 3.10.2 The tax base to be used for setting the 2017 / 18 Council Tax was agreed by the Council at its meeting on 15 December 2016. The tax base consists of 23,868.7

“Band D equivalent” properties, after allowing for a non-collection rate of 1.7%. This tax base is now fixed for the purposes of setting the 2017 / 18 Council Tax.

3.10.3 In terms of the Collection Fund projection, Maldon District Council's share of the net surplus, which is used to reduce our Council Tax, is £118,130 comprised of a surplus distribution on Council Tax of £230,645 and a deficit distribution on Business Rates of £112,515.

3.10.4 The income to be raised from Council Tax (excluding parish precepts) in 2017 / 18 is summarised below:

	£
Maldon District Council Net budget to be Funded	6,541,000
Government Grant	
Revenue Support Grant	-169,424
Baseline Business Rates	-1,431,139
Business Rates Retention Scheme	-350,000
Collection Fund Net Surplus	-118,130
Maldon District Council Council Tax Requirement	4,472,307

3.10.5 In accordance with the legislation under the Local Government Finance Act 1992, all parish precepts must be charged to the Council's General Fund, however they are excluded in calculating the Council's own council tax requirement.

3.10.6 The Council Tax referendum threshold set by the Secretary of State for 2017 / 18 was announced as part of the Provisional Settlement and for Maldon, the threshold has been set at 2% increase over 2016 / 17 basic amount of council tax or £5 whichever is the greater. Any Council proposing increases in excess of the threshold faces the substantial cost of conducting a local referendum and if it results in a ‘No’ vote, the rebilling cost as well. The Budget estimates have been constructed on the basis of the proposed increase of £5 (2.74%) as presented at the members Budget Seminar on 18 October 2016, which is at the referendum threshold. This represents a prudent approach having regard to the balance of the risks and opportunities facing the Council in future years with subsequent increases to be reviewed each year in the light of emerging risks. Whilst the budget for 2017 / 18 is balanced with use of un-ringfenced general fund and earmarked reserves, there remain risks looking ahead to the medium term.

3.11 **General Fund Balance and Revenue Reserves**

3.11.1 Detailed policy information for each earmarked revenue reserve is set out in **APPENDIX 7** and appropriations to and from them is detailed in **APPENDIX 1**.

3.11.2 Based on the latest risk assessment and in the light of the proposed consolidation of an earmarked reserve into the un-ringfenced General Fund Reserves it is considered that the Council increases the approved minimum working balance level from £2.3m to £2.5m, this will be regularly reviewed in the light of changing circumstances. At **APPENDIX 8** the latest Medium Term Financial Strategy (MTFS) shows an estimated savings requirement of £448,000 in 2018 / 19, £527,000 in 2019 / 20 and £69,000 in 2020 / 21 and an overall cumulative savings requirement of £1,044,000 to

balance the budget in these years. This is a significant improvement on the £1,254,000 shown in the last MTFS in April 2016, attributable mainly to savings and the use of the reserve discussed in paragraph 2.12.4 below together with updated budget position assessments.

- 3.11.3 It is not considered necessary any longer to hold a separate earmarked reserve to cover against additional costs arising from the Local Council Tax Support (LCTS) and Local Business Rates schemes. Several years' experience of the LCTS has shown that costs are being fully contained. Both of these risks have now been built into the increased minimum working balance calculation (one of the reasons for the increase referred to in paragraph 2.12.2 above. It is proposed to utilise the reserve in 2018 / 19 to make the savings target for that year more manageable and this assumption has been factored into the MTFS.
- 3.11.4 A summary of the proposed use of reserves is summarised in the table below and is based on a budget projection that includes aspects such as inflation, pension fund contributions and a number of priority and statutory growth pressures offset by savings identified. The overall aim is to ensure that reserves do not fall below £2.5m and the current projections keep well within this target.

Balances Movement (taking into account known movements in 16/17 budget)	2016 / 17	2017 / 18
	£000	£000
Balance b/f		
General Fund Reserves	3,961	3,915
Earmarked Reserves	2,435	1,909
Total	6,396	5,824
Projected Movement		
General Fund Reserves	(46)	(695)
Earmarked Reserves	(526)	(38)
Total	(572)	(733)
Balance c/f		
General Fund Reserves	3,915	3,220
Earmarked Reserves	1,909	1,871
Total	5,824	5,091

3.12 Proposed Capital Programme 2017 / 18 to 2020/21

- 3.12.1 The proposed Council resourced capital projects were considered by all the Programme Committees in November, the total capital programme as proposed for 2017 / 18 is £949,000. The proposed indicative 2017 / 18 – 2020 / 21 capital programme is set out in **APPENDIX 9**.
- 3.12.2 The Council is required to have regard to the Prudential Code set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) when setting its budget. The code prescribes that certain indicators are to be calculated relating to maximum exposure to borrowing and impact of financing decisions on taxpayers (i.e. the affordability of these decisions by reference to the level of council tax that results).

The borrowing related indicators have limited relevance to this Council at present and will be dealt with in the annual Treasury Management Strategy.

3.12.3 It is necessary to formally resolve a figure for the Council’s capital financing requirement, which is currently zero. The current capital spending plans for the next three years will not cause a requirement to borrow; therefore the capital financing requirement in accordance with the Prudential Code for 2017 / 18 to 2020 / 21 inclusive will be zero.

3.12.4 The Council’s capital expenditure plans and intended funding methods for the current and following four years are summarised in the table below with the revenue impact of the full programme.

Capital Programme 2016 / 17 – 2020 / 21	Revised	Original	Original	Original	Original
	2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020 / 21
	£000	£000	£000	£000	£000
Total Programme	2,419	949	563	477	477
<u>Financing</u>					
- Capital Receipts	1,999	529	143	57	57
- Government Grant	420	420	420	420	420
Impact on Council Tax					
Full year Band D impact of Financing	£0.84	£0.22	£0.06	£0.02	£0.02

3.12.5 The impact of the capital programme on future years’ revenue budgets is factored into the Medium Term Financial Strategy, whereby investment income returns are shown to gradually diminish as the usable capital receipts reserve is utilised to support capital spending.

3.12.6 The financing of the indicative five year capital programme as shown would leave a projected £2.077m of capital resources remaining at 31 March 2021.

3.13 View on Risks

3.13.1 Risks to the Council’s financial position could derive potentially from budget overspend, loss of investment income, contractual/legislative failure, shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council has a very good record of the outturn financial position being within budget and of predicting investment income well; therefore, this is not seen as a high risk to the Council and it is not necessary to make additional significant provision. However, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that income levels included in the budget are achieved will be a key focus.

3.13.2 The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but it would be a low probability with a potentially high impact.

However, it is not appropriate to set aside large amounts of reserve against the possibility of this happening and that appropriate bond / Parent Company Guarantee have been built into large contracts.

- 3.13.3 It is important to recognise that with the introduction of the Business Rates Retention, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of the 2017 / 18 revaluation and the number of appeals that are successful. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies.
- 3.13.4 In setting budgets and projections for individual years, it is important that the Council is not reliant on the use of reserves to support revenue expenditure thus creating an unsustainable future. To achieve this, it is important to note the requirement to meet the budget gap savings identified in the Medium Term Financial Strategy.
- 3.13.5 Section 25 of the 2003 Local Government Act requires the Interim Director of Resources to make a formal report to the Council on the robustness of the budget and adequacy of reserves (**APPENDIX 10**).

4. CONCLUSION

- 4.1 After including all items within the financial projections, general fund reserves at the start of 2017 / 18 are expected to be £5.824m with all known movements taken into account. Due to the loss of £0.363m of Government Support in 2017 / 18 coupled with budget pressures arising from the legislation changes and contractual obligations, it was previously recognised and acknowledged by members at the Budget Seminar on 18 October 2016 that the Council should take the opportunity to increase its financial base by increasing the average band D council tax by the maximum allowed by the government without triggering a referendum. The government has recognised the pressures being experienced by local authorities in being able to deliver services effectively in an environment of austerity and radical changes to the system of local government finance. The government has therefore set the referendum threshold for the increase in the average band D council tax in 2017 / 18 for district councils at 2% or £5 whichever is the greater. This means that the proposed average band D council tax (excluding parish precepts) will increase by £5 (2.74%) to build up the financial base of the council for future years.
- 4.2 The difficult financial environment for the Council will continue in future years with the added uncertainty in the move to the 100% Business Rates Retention system from 2020 as proposed by the government. The Council's overall resource envelope, its financial base, needs to keep pace with the increasing demands for services, inflationary pressures and new responsibilities. The projected population growth in the District will continue to put pressure on services. Changes to the local government finance system as well as further Welfare Reforms will probably continue to have an impact on the council's overall resource envelope and therefore on council tax in future years. The Council has a good record of controlling its cost base and therefore its expenditure and has made progress in introducing new streams of income

to achieve balanced budgets without impacting adversely on services to the community. However, it is essential that the Council puts itself on a transformation journey that will secure the wherewithal in the future to continue to provide efficient and effective services.

- 4.3 Council approval is sought on the Council's budget proposals for 2017 / 18 and the Council Tax Requirement of £4,472,307 (excluding parish precepts). The basic amount of council tax would be £187.37 and increase of £5 (2.74%). This is at the government's Referendum Principles threshold for Shire Districts.

5. IMPACT ON CORPORATE GOALS

- 5.1 The budget for 2017 / 18 will underpin and resource the agreed actions plans to deliver the Corporate Plan goals.

6. IMPLICATIONS

- (i) **Impact on Customers** - The impact of any savings, growth and income generation proposals has been considered as part of the discussions during the budget setting process.
- (ii) **Impact on Equalities** - The Council has an obligation under the Equalities Act to consider the implications of financial decisions.
- (iii) **Impact on Risk** - The Council reviews and manages its risks on a regular basis and ensures that mitigation plans are in place. The resource allocation through the budget takes any significant corporate and service risks into account in terms of allocation of additional recurring or non-recurring resources and/or redirecting resources from one area to another either on a permanent or one-off basis.
- (iv) **Impact on Resources (financial)** - This report details the allocation of resources that will be available to the Council to deliver the Corporate Plan goals and objectives including its community leadership role.
- (v) **Impact on Resources (human)** - The budget estimates include staff costs and their deployment in accordance with the establishment.
- (vi) **Impact on the Environment** - None directly arising from this report.

Background Papers: Revised 2016 / 17 and Original 2017 / 18 Budget Estimates and Council Tax 2017 / 18 report to the Finance and Corporate Services Committee (31 January 2017).

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