

REPORT FOR: **Council**

Date of Meeting: 25 February 2016

Subject: Final Revenue Budget 2016/17 and Medium Term Financial Strategy (MTFS) 2016/17 to 2019/20 – Amended Appendix and Additional Recommendation

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Enclosures: Appendix listed below

No	Appendix
1	Model Council Tax Resolution 2016/17

Section 1 – Summary and Recommendations

This report sets out the Model Council Tax Resolution 2016/17 (Appendix 1) to the Revenue Budget and MTFS report that was recommended by Cabinet to Council.

This report includes an additional recommendation, which was not within the recommendations of the 18th February Cabinet report, that is, for Council's approval.

Recommendations:

- 1) That Council approves the amended Model Council Tax Resolution 2016/17 as set out in Appendix 1.
- 2) In accordance with section 38 (2) of the Local Government Finance Act 1992, Council instructs the CFO to place a note in the local press of the amounts set out in section 4 of Appendix 1, with a period of 21 days following the Council's decision.

Section 2 – Report

Introductory paragraph

1. This is the final report in the current series of Budget reports for the Medium Term Financial Strategy covering the period 2016/17 to 2019/20. The Final Revenue Budget report to the 18 February 2016 Cabinet set out the context and background for setting the Budget.

Final Local Government Finance Settlement announcement

2. At the time of producing the Final Revenue Budget report for the 18 February Cabinet, the Final Local Government Settlement 2016/17 had not been announced. The Settlement was announced on 8th February.
3. The key change coming from the settlement was the announcement of an additional £150m of transition grant for both 2016/17 and 2017/18, across England (£300m in total). This grant has been provided in response to concerns raised by Authorities during the consultation process about the reduction in Revenue Support Grant and has been provided to councils with the “sharpest reductions in Revenue Support Grant”. Harrow has received net additional grant of £708k in 2016/17 and £699k in 2017/18.

Public Health Grant Announcement

4. At the time of producing the Final Budget report for the 18 February Cabinet meeting, the Public Health Grant Announcement was also still outstanding. The Public Health Grant Announcement was received on 9 February 2016. The grant for Harrow is £11,373,280 for 2016/17 and £11,093,501 for 2017/18. Compared to the 2015/16 grant baseline of £12,300,000, this is a reduction of £927k (7.5%) in 2016/17 and £1.206m (9.8%) in 2017/18.
5. Within the final budget report presented to Cabinet on 18 February, an assumed reduction of £300k was included in the budget for the public health grant. This reduces the impact of the grant reductions to £627k and £906k. £627k of the additional final settlement grant announced of £708k as set out in paragraph 3, will be used to offset the reduction in the public health grant and the remaining £81k will be added to the 2016/17 contingency, which will increase from £1.248m to £1.329m for one year only.
6. These changes do not alter the Revenue Budget Requirement 2016/17 as reported to Cabinet on 18th February 2016.

Model Council Tax Resolution

The Model Council Tax Resolution 2016/17 is attached at Appendix 1. The GLA precept was confirmed on 22 February 2016. This confirmation has no impact on the Model Council Tax Resolution 2016/17.

Legal Implications

8. The Council has a fiduciary duty to residents to set a balanced budget.

Financial Implications

9. Financial matters are integral to this report.

Performance Issues

10. There are no direct performance issues arising from the changes in this report.

Environmental Impact

11. There are no environmental impacts from the changes contained in this report.

Risk Management Implications

12. There are no risk management implications arising from the changes contained in this report.

Equalities Implications

13. There are no equalities implications arising from the amendments in this report. Equalities implications are contained in the main report on the budget and MTFS.

Corporate Priorities

14.. The budget for 2016/17 supports delivery of the Council's vision, the Administration's priorities and is consistent with the Corporate Plan.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert

Chief Finance Officer

Date: 23/02/16

Name: Jessica Farmer

on behalf of the
Monitoring Officer

Date: 23/02/16

Section 6 - Contact Details and Background Papers

Contact: Sharon Daniels, Interim Head of Strategic Finance and Business

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Background Papers:

[Final Budget Report 2016/17 and MTFS 2016/17 to 2019/20 to Cabinet on 18 February 2016](#)