Report to:

Cabinet
Scrutiny Committee
Council

Report of Head of Finance

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To: CABINET	1 February 2017
To: SCRUTINY COMMITTEE	9 February 2017
To: COUNCIL	16 February 2017

Revenue Budget 2017/18 and Capital Programme to 2021/22

RECOMMENDATIONS

1. That cabinet recommends to council that it:

   a. sets the revenue budget for 2017/18 as set out in appendix A.1 to this report,
   b. agrees that the capital schemes listed in paragraph 33 to this report remain in the capital programme
   c. approves the capital programme for 2017/18 to 2021/22 as set out in appendix D.1 to this report, together with the capital growth bids set out in appendix D.2 of this report ,
   d. sets the council's prudential limits as listed in appendix E to this report,
   e. approves the medium term financial plan to 2021/22 as set out in appendix F to this report,
   f. allocates £1,000,000 to fund the Communities Capital and Revenue Grant Scheme.

2. That cabinet agrees that the cabinet member for finance, in conjunction with the head of finance, may make minor adjustments to this report and the prudential indicators should they prove necessary prior to its submission to council on 16 February 2017.

Purpose of report

1. This report:

    - brings together all relevant information to allow cabinet to recommend to council a revenue budget for 2017/18 and a capital programme for 2017/18 to 2021/22;

    - recommends the prudential indicators to be set by the council in accordance with 'the Prudential Code' introduced as part of the Local Government Act 2003;

    - contains the opinion of the council's chief financial officer on the robustness of estimates and adequacy of the council's financial reserves;

    - contains the Medium Term Financial Plan (MTFP) which provides details of the forward budget model for the next five years.

2. This report should be read in conjunction with the Medium Term Financial Strategy (MTFS)[1]. This sets out a number of objectives to be achieved and a set of principles to be followed in the preparation of budgets.

Budget setting process

3. In preparing and setting the revenue budget for 2017/18 and capital programme to 2021/22 a number of complexities arose that delayed the process including:

    - provisional settlement issued in December 2016;

    - changes to rules surrounding the calculation of new homes bonus requiring internal projections to be reviewed in detail;

    - a new operating environment and management team providing more robust challenges.

Strategic objectives

4. Setting the budget in accordance with prescribed timetables enables the council to maintain its strong financial position.

5. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the council. The objectives identify where investment, including proposed growth, will take place in order to help the council achieve its corporate plan targets.

6. Where growth proposals (known as growth bids) have been made, each bid sets out how it will help achieve the council's objectives. The cabinet member for finance has chosen to include some growth bids in these budget proposals and these are identified in **appendix B.1** (revenue) and **appendix D.2** (capital), together with some revenue savings proposals in **appendix B.2.**

[1] MTFS considered by Cabinet 1 February 2017, Council 16 February 2017

Revenue budget 2017/18

Budget target 2017/18

7. The MTFS[1] sets a target within which the revenue budget will be set each year. It is:

   'to set a revenue budget requirement that increases by no more than inflation each year, except where new responsibilities are placed on the council'.

Budget composition 2017/18

8. **Appendix A.1** summarises the movements in the base budget from £14,369,062 in 2016/17 to £15,914,180 in 2017/18. These movements are detailed below.

9. **Opening budget adjustment reduction £712,380, (appendix A.2)**. This includes the removal of one-off growth items relating to 2016/17 and before, and the realisation of the full-year effect of savings proposals identified in previous years.

10. Additions to the base budget:

    - **inflation, salary increments and other salary adjustments £129,016 (appendix A.3).** The salary and contract inflation totals £65,375, representing an average increase of 0.44 per cent on the 2016/17 net expenditure budgets. For council employees an overall increase in salary of 1.3 per cent is budgeted for 2017/18. Increments payable to council employees not at the top of their salary range total £80,491. The decrease of £16,850 in other salary adjustments include changes to employment taxes, staff working hours and corrections to prior year budgets.

    - **essential growth – one-off £1,382,022 and ongoing £1,515,858 (appendix A.4)**, these items comprise additional expenditure which is considered unavoidable, and reflect changes that have occurred in the current year or which are known will happen in 2017/18.

    - In addition to essential Items brought forward by services, there are a number of corporate essential growth items that have arisen following further work undertaken on the Five Councils' Partnership and the management restructure since the previous budget was set.

    - When the 2016/17 budget was set, the contracting process for Five Council's Partnership was still ongoing and only estimates of savings were available, based on future costs being smoothed on an annual basis. Following on from the signing of the contracts it is clear that the savings profile sees a greater realisation of savings in the later years of the contract, so there is a need to increase cost in the MTFP period - the earlier years of the contract - compared to previous thinking. In addition, the savings include innovation and procurement hub savings, which officers do not feel can be taken as certain at this stage, and more prudent savings estimates have been added. As a result of these factors the savings estimate arising from the contract costs has been re-profiled over the MTFP period compared to the previous year's budget.

- Following the commencement of the Five Councils' Partnership, and the arrival of the new chief executive, the council is currently reviewing its future workforce requirements. At this stage we have budgeted £400,000 per annum for potential additional staff.

11. Deductions from the base budget:

- **base budget reductions £749,415 (appendix A.5)** These base budget savings are reductions in costs identified by officers which may be the result of more efficient working or previously agreed policy decisions, cost reductions outside of the council's control, increases in income, or correction to budgets. These savings do not affect frontline service delivery.

- **reduction in revenue contingency £79,983 (appendix A.6).** This brings the level of revenue contingency to £438,405. This includes specific provision for certain events should they occur, together with a general contingency amount of £200,000.

- **decrease in managed vacancy factor £60,000,** this provision is set at two per cent of budgeted employee costs and reduces the overall employees budget to reflect the savings that result from vacancies arising as part of normal staff turnover. As budgeted costs increase or decrease the provision is adjusted accordingly.

12. As a result of these changes the council's revised base budget for 2017/18 is **£15,914,180**.

Revenue growth proposals

13. A number of revenue growth proposals are being recommended to council for inclusion in the budget for 2017/18. These are detailed in **appendix B.1** and total **£679,035**. The growth proposals have been selected on the basis that they support the council's strategic objectives as set out in the council's corporate plan 2016-2020 and enhance service provision.

14. In addition to revenue growth proposals, a number of savings proposals are being recommended. These are detailed in **appendix B.2** and total **£197,072**. The equalities implications of the proposals are considered later in the report.

15. The revenue consequence of proposed capital growth is **£27,080**. Capital growth is detailed in **appendix D.2** and is considered later in this report.

Gross treasury income

16. Treasury income earned in 2017/18 will be available to finance expenditure in 2018/19 and is currently forecast to be **£2,201,300**, and would be used as follows under current practice:

- £1,745,300 to support the revenue budget for 2018/19; and

- £456,000 reinvested in financial instruments.

17. More details of treasury income can be found in the council's Treasury Management Strategy report[2].

18. Including growth and treasury income results in a net expenditure budget for the council of **£14,221,923**.

Reserves and other funding

New Homes Bonus (NHB)

19. The provisional government allocation for NHB payment for 2017/18 is **£3,527,673.** Of this figure **£3,356,943** will be used in year to support the revenue budget, while the rest will be transferred to reserves. Projections of future NHB earnings and how they will be used are detailed later in this report.

Transfers to/from reserves

20. In addition to the transfer to reserves of the NHB payment, the other proposed transfers to / from earmarked reserves reflect:

   - The transfer to reserves of investment income from property in Didcot for future investment - **£270,000**.
   - The transfer to reserves of the treasury income earned in 2017/18 **£2,201,300**;
   - The transfer from reserves of treasury income earned in 2016/17 and earmarked to support the revenue account in 2017/18 of **£1,857,000**:
   - The transfer from the revenue grants reserve of **£363,084**
   - The transfer from the revenue budget smoothing reserve of **£1,597,366** to arrive at a budget requirement that can be funded from the government grant settlement and council tax level which are discussed later in this report.

21. Based on the above use of reserves and other funding, the amount of revenue expenditure to be financed from government and from council tax 2017/18 is **£9,518,830**.

Funding

Local government settlement

22. As part of the December 2015 Spending Review, the Secretary of State for Communities and Local Government offered to councils a four-year funding settlement[3] for the period 2016/17 to 2019/20. To qualify councils had to publish an Efficiency Plan which covered the four-year time period. The council published an efficiency statement on 11 October 2016 and as a result qualified for the four year settlement. Table 1 below details the funding for the council up to 2019/20.

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[2] Considered by Cabinet 1 February 2017, Council 16 February 2017
[3] The four year settlement agreed by government only related to RSG and not to funding relating to business rates

Table 1: Four year settlement funding assessment (provisional)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Revenue Support Grant	1,195	572	192	0
Business Rates Baseline Funding Level	2,384	2,431	2,503	2,583
Settlement Funding Assessment	**3,579**	**3,003**	**2,695**	**2,583**
Tariff/Top-Up adjustment	0	0	0	(233)
Total	**3,579**	**3,003**	**2,695**	**2,350**

23. The settlement for 2017/18 is 16.1 per cent lower than 2016/17. Whilst the baseline funding element of the settlement is increasing in line with the increase in national non domestic rates, to achieve the overall reduction in funding the government has significantly reduced the Revenue Support Grant (RSG) element. This pattern is due to continue until RSG is reduced to nil in 2019/20. The figures indicate that in that year additional tariff payment will be due, reflecting a redistribution of government funding. This has commonly been referred to as negative RSG. It should be noted that these figures exclude NHB funding which is discussed later in the report.

24. At the time of writing this report the final settlement funding assessment had not been received from the government. It is not anticipate that when this information is available it will be significantly different to the provisional figures.

Business rate retention scheme

25. For budget setting purposes it has been assumed that the council's share of business rates income after payment of tariff will be at the safety net level and remain at that level for the period of the MTFP.

26. Should the council decide to join the Oxfordshire Business Rate Pooling Distribution Group surpluses arising will be added to the council's reserves at the end of the financial year.

27. Included in the budget for the first time is **£90,098** business rates retained by the council as planning authority relating to facilities generating renewable energy within the district.

Collection fund

28. The surplus on the collection fund is estimated in 2016/17 to be **£277,786**.

Cabinet member for finance's revenue budget proposal

29. Based on the amendments detailed above, and as shown in **appendix A.1** of this report, the cabinet member's budget proposal, including growth, is for a net revenue budget of **£9,518,830**. This revenue budget as proposed would result in an increase of £5.00 to current band "D" council tax to **£116.24**. **Appendix C** shows the breakdown of the revenue budget.

30. The cabinet member for finance's revenue budget proposal of **£9,518,830** is lower than the previous year's budget requirement of **£9,812,913** and is therefore

within the revenue budget target, meeting the requirement laid down in the medium term financial strategy.

Capital programme 2017/18 to 2021/22

Current capital programme

31. The latest capital programme (before growth) is attached at **appendix D.1** and is summarised in table 2 below. It is the capital programme as set by council in February 2016 plus:-

- slippage (caused by delays to projects) carried forward from 2015/16
- new schemes approved by council during 2016/17
- re-profiling of expenditure on schemes from the 2016/17 financial year to future years where delays to schemes have occurred
- cabinet approved movement of schemes from the provisional to the approved capital programme
- the deletion of previously agreed schemes that have completed or are no longer to be pursued.

Cabinet capital programme proposals

32. **Appendix D.2** contains a list of new capital schemes that are being recommended for inclusion in the capital programme. Officers will amend the provisional capital programme to include the proposals if approved by cabinet and council.

33. Capital schemes that have been in the provisional capital programme for two years without activity being incurred are automatically deleted. However, cabinet is recommending to council that the following schemes are kept in the programme:

    - Town centre boost – scheme value £192,000

34. Capital schemes of greater than £500,000 deleted from the provisional programme during the year are listed below:

    - Didcot town centre development – scheme value £500,000. This budget relates to phase I redevelopment and has now been superseded.

    - Didcot & Science Vale – scheme value £5,750,000. This budget was added to the capital programme in 2016/17. The current head of Development, regeneration and housing has confirmed that it is no longer required and that capital schemes will be brought forward as and when required.

    - Housing supply – scheme value £2 million. This budget was added to the capital programme in 2016/17. The current head of Development, regeneration and housing has confirmed that it is no longer required and that capital schemes will be brought forward as and when required.

Financing the capital programme

35. **Table 2** contains a schedule identifying showing the current and proposed capital programme and how it will be financed, including the growth proposals, if they are approved. The programme proposed can be fully funded from existing and anticipated capital resources. The total planned capital expenditure is **£48.6 million**.

Table 2: current and proposed capital programme with financing

	2016/17 latest estimate	2017/18 estimate	2018/19 estimate	2019/20 estimate	2020/21 estimate	2021/22 estimate	GRAND TOTAL
	£000	£000	£000	£000	£000	£000	£000
Capital programme before growth							
- approved	4,638	5,342	920	920	920	920	13,660
- provisional	8,058	1,696	8,903	11,466	2,392	1,083	33,598
	12,696	**7,038**	**9,823**	**12,386**	**3,312**	**2,003**	**47,258**
Cabinet capital growth proposals	0	1,063	202	(14)	(29)	71	1,293
Total expenditure	**12,696**	**8,101**	**10,025**	**12,372**	**3,283**	**2,074**	**48,551**
Financing							
Grant funding	654	893	493	493	493	493	3,519
Developers' contributions	181	0	0	0	0	0	181
Usable capital receipts/revenue reserves	11,861	7,208	9,532	11,879	2,790	1,581	44,851
Total financing	**12,696**	**8,101**	**10,025**	**12,372**	**3,283**	**2,074**	**48,551**
Estimated balances as at 31 March 2022							
Usable capital receipts							**2,603**
Enabling fund							**5,753**
New homes bonus:							
Unringfenced							**0**
Affordable homes							**1,629**

Future pressures on the capital programme

36. **Table 2** also shows the balances of usable capital receipts, NHB and the enabling fund at the end of the MTFP period. Officers advise cabinet not to earmark all available resources in proposing the budget to council, as the prudential code requires local authorities to set sustainable budgets. By retaining unallocated balances, cabinet can demonstrate that through a combination of this and future income (that can be expected beyond the period of the budget) it can fund future pressures.

The prudential code and prudential indicators

37. In setting its revenue and capital budgets for 2017/18, the council must agree prudential indicators in accordance with the prudential code (see below). When recommending its budgets to council, cabinet must also recommend the prudential indicators.

38. From 1 April 2004, government control of local authorities' borrowing was abolished and replaced by a prudential system of self-regulation. Authorities are able to borrow based on need and affordability, which they demonstrate through compliance with the prudential code developed by the Chartered Institute of

Public Finance and Accountancy (CIPFA) and given statutory force by government regulation.

39. The key objectives of the prudential code are to ensure that the capital investment plans of the authority are affordable, prudent and sustainable. To demonstrate that authorities have had regard to these objectives, the prudential code sets out a number of indicators that must be considered covering five distinct areas – capital expenditure, affordability, prudence, external debt and treasury management. Council must approve the indicators through the budget process before 1 April each year, but they can be revised during the year if required.

40. The key indicators that will drive the capital budget decision making process will be those concerning affordability, as these measure the impact of capital investment decisions on the overall revenue budget and in particular the precept against the collection fund.

41. In setting or revising the prudential indicators the council is required to have regard to:

- affordability e.g. implications for the precept
- prudence and sustainability e.g. implications for external borrowing
- value for money e.g. option appraisal
- stewardship of assets e.g. asset management planning
- service objectives e.g. strategic planning for the council
- Practicality e.g. achievability of the forward plan.

42. Under the code, the head of finance as chief finance officer is responsible for ensuring that the council considers all relevant matters when setting or revising indicators through a report. The head of finance is also required to establish procedures to monitor performance against all forward-looking indicators; and report upon any significant deviations from forward forecasts with proposed actions.

43. **Appendix E** contains the recommended prudential indicators, which have been calculated based on the budget proposals. The head of finance is satisfied that these indicators show that the council's capital investment plans are affordable, prudent and sustainable.

The Medium Term Financial Plan (MTFP)

44. The MTFP provides a forward budget model for the next five years. **Appendix F** contains the MTFP for 2017/18 to 2021/22**.** This is a projection of the revenue budget up to 31 March 2022. The projection allows for budget pressures in later years and assumes that council approves all the budget proposals within this report. Officers have made no adjustments for the costs of contracts that will be re-let during this period. They could rise or fall depending on market conditions.

45. The MTFP identifies some potential challenges ahead for the council. It reflects the provisional four year settlement figures first published in draft by the government in December 2015 and shown in table 1 above and anticipates that

the basis of funding in 2019/20 continues into 2021/22. Ongoing funding after 2020/21 is an estimate by officers, and is subject to change. It also incorporates assumptions on interest income, and other known pressures on the council, such as inflation and salary increments.

46. Estimates of future receipts of new homes bonus are shown in table 3 below, and are also included in the MTFP (detailed in row 42). In total the council is expected to have received in excess of £12.2 million during the MTFP period.

47. The element of the bonus that relates to the new homes bonus premium is ring-fenced to support the provision of additional affordable housing.

Table 3: new homes bonus

Year earned	Year of receipt				
	2017/18 actual £000	2018/19 indicative £000	2019/20 indicative £000	2020/21 indicative £000	2021/22 indicative £000
2013/14	537	0	0	0	0
2014/15	763	0	0	0	0
2015/16	972	972	0	0	0
2016/17	675	675	675	0	0
2017/18	581	581	581	581	0
2018/19	0	778	778	778	778
2019/20	0	0	401	401	401
2020/21	0	0	0	128	128
2021/22	0	0	0	0	23
Total	**3,528**	**3,006**	**2,435**	**1,888**	**1,330**

48. Officers consider that the pressures highlighted are manageable in the period covered by the MTFP (in light of the reserves and balances available to the council and our ability to vary budgets and redirect funding). However, it is expected that savings will be required within the parameters set by the MTFS in future years, and this represents a significant challenge.

49. The graph and table 4 below illustrates the gap between funding and expenditure over the period of the MTFP.

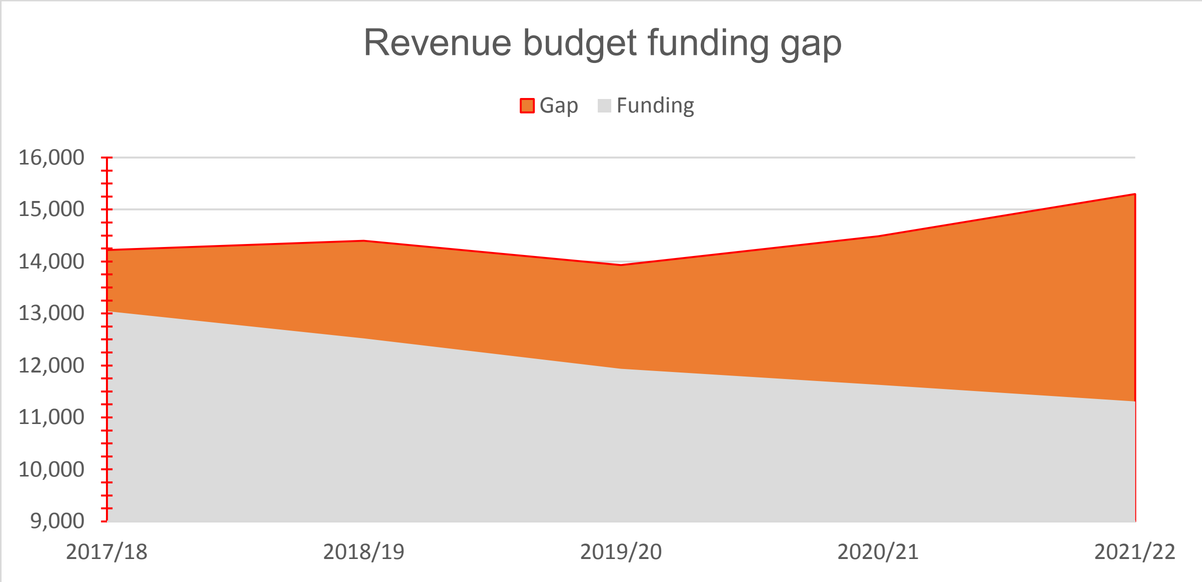

Table 4: revenue budget funding gap

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Net expenditure	14,222	14,405	13,934	14,489	15,302
Funding	13,047	12,523	11,937	11,626	11,311
Gap	(1,175)	(1,882)	(1,997)	(2,862)	(3,991)
Gap cumulative	(1,175)	(3,058)	(5,054)	(7,917)	(11,908)

50. The council's MTFS states that the council will hold £50 million of investments of which £30 million can be invested in capital schemes that will produce a return of certainty. The remaining £20 million can be invested in treasury investments. Whilst the treasury investments are capable of being realised, investment in capital schemes is not capable of being realised.

51. As at 31 March 2022 the council is projected to have invested £30 million in the following capital schemes:

- Didcot leisure centre - £15 million
- Loan to South Oxfordshire Housing Association - £15 million

The remaining £20 million comprises £17 million held in long term investments, and £3 million held in capital and revenue balances.

52. Excluding the £50 million investment, the council is projected to hold £6.5 million of general revenue balances and £7.8 earmarked revenue reserves as at 31 March 2022.

Communities Capital and Revenue Grant Scheme

53. On an annual basis, the council has considered the amount to be made available for the Community Capital Grant Scheme. From 2017/18, some of this funding has been allocated to revenue projects. Thus the council is asked to consider the amount to be made available for the Community Capital and Revenue Scheme and it is recommended that a grants budget of £1,000,000 be set for 2017/18.

The robustness of the estimates and the adequacy of reserves

54. The Local Government Act 2003 places a duty on the chief finance officer (i.e. the head of finance) to report on the robustness of the estimates and the adequacy of reserves. The council must have regard to this report when making decisions about the setting of the budget.

55. The construction of the budget has been managed by qualified accountants and has been subject to challenge, specifically by strategic management board, the head of finance, other heads of service and cabinet members. Informal meetings of cabinet have considered the budget, and a briefing will be given to the council's scrutiny committee members which will be open to all councillors. In view of the process undertaken and his own knowledge of the budget, the head of finance is satisfied that the budget is both prudent and robust.

56. The council's practice is not to use interest in the year it is earned, but in later years. On the basis of the settlement the head of finance is satisfied that this allows retention of sufficient uncommitted balances at the end of the period to ensure that the overall level of reserves is adequate in relation to the proposed revenue budget and capital programme and that the budgets are sustainable. The enabling fund balance as at 31 March 2022 is estimated to be £5.8 million. In the MTFP the 2021/22 revenue budget is balanced by using a combination of un-ring-fenced NHB receipts and the enabling fund when the un-ring-fenced NHB receipts are extinguished.

57. The one significant risk identified is further possible changes to the NHB scheme in addition to those already announced.

58. Scheme changes already known and built into the estimates are :

    - A move to five year payments for both existing and future bonus allocations in 2017/18 and then to four years from 2018/19;

    - the introduction of a national baseline of 0.4 per cent for 2017/18 for NHB below which allocations will not be made.

59. Should further changes occur a fundamental review of the council's budget will be necessary. Table 5 below shows that £7.029 million of expenditure budgeted for within the budget proposals from 2018/19 onwards is dependent on the receipt of NHB not yet received or confirmed as payable by the government. The table also shows that from 2018/19 onwards more NHB monies are being used to support revenue expenditure than are being received.

Table 5.1: New Homes Bonus account

Year	Opening balance £000	Receipt £000	Revenue expenditure £000	Closing balance £000
2017/18	**10,179**	**3,528**	(3,357)	10,350
2018/19	10,350	3,006	(5,070)	8,286
2019/20	8,286	2,435	(4,892)	5,829
2020/21	5,829	1,888	(5,178)	2,539
2021/22	2,539	1,330	(2,239)	1,630
Total		**12,187**	**(20,736)**	

Note that the figures in **bold** represent monies confirmed or received. The closing balance of £1.6 million has been ring fenced by the council for affordable housing.

Table 5.2 Expenditure at risk

	£000
Total expenditure to be funded from NHB per table 5.1	(20,736)
NHB funding received or confirmed (2017/18 in bold)	13,707
Expenditure to be funded from NHB not yet received or confirmed	**(7,029)**

60. The funding of local government will undergo change over the next few years as the government move to a 100 per cent business rates retention model and further reviews the new homes bonus scheme. In the light of this, consideration will be given to produce a medium term financial strategy for the council that will set the parameters and principle on which the council's budget will be built.

61. The head of finance's full report will be available at full council.

Legal Implications

62. The cabinet needs to make recommendations to council on its spending proposals. Under the Local Government Act 2000 it is council that must agree the revenue and capital spending plans, and then set the council tax. Council will meet on 16 February 2017 in order to set the budget, and the council tax (including amounts set by Oxfordshire County Council and the Police and Crime Commissioner for the Thames Valley).

63. The requirement placed on council by the Local Government Act 2003 to set prudential indicators and for the chief finance officer to make a report to the authority on the robustness of the estimates and the adequacy of reserves are addressed within the body of this report.

Equalities Implications of revenue savings proposals

64. The council has reviewed the revenue savings proposals in line with our public sector equality duties to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation,

- advance equality of opportunity between people who share a protected characteristic[4] and those who do not,

- foster good relations between people who share a protected characteristic and those who do not.

65. Consideration was also given to those groups not protected by legislation such as low income groups, in line with the requirement of the Equality Framework for Local Government

66. It is **the equality officer's view that all of the budget reduction proposals are likely to have a low or negligible equality impact.** Those reductions include:

    - **Increase garden waste subscription fee -** It is perceived that the increase of £2 per year is likely to have a low equality impact. Residents can share bins if they do not need the full service or could take their garden waste to the household waste recycling centres. There is also the option to purchase a compost bin and discounts are offered on these if purchased at our compost give away days. However, we recognise the increase could prevent those on a low income still wishing to use the service who are unable to share with neighbours.

    - **To close the young achievers scheme** - We do not consider there will be any equality impact of ceasing the scheme, as the scheme is not supporting vulnerable people and it is not likely to impact on the person's ability to take part in their chosen sport, art or citizenship. As our leisure provider GLL offers a similar scheme to our sports category we can encourage young people to apply to this instead of our scheme, which will account for most potential applicants to our scheme.

    - **Cease to provide funding to Thames Valley Police (TVP), currently used to fund the Police Community Support Officers (PCSOs)** - The PCSOs are currently tasked to deal with risk, harm and vulnerability. If TVP are unable to bridge the gap in funding there could be a reduction of PCSO presence. This could contribute towards a decline in feelings of safety for elderly and vulnerable people. As PCSOs form a key part of their community safety policing, TVP will need to consider any potential impact.

Other Implications

67. Agreement of the revenue and capital budgets authorises expenditure in accordance with the council's delegated powers and financial procedure rules. The officer, councillor or councillor body taking those decisions will take into account the human resources, sustainability and equality and diversity implications of individual spending decisions.

[4] A' protected characteristic' under the Act is colour, race, nationality, ethnic or national origin, disability, age, sex, gender reassignment, sexual orientation, religion, belief, marriage or civil partnership, pregnancy and maternity

Conclusion

68. This report provides details of the revenue base budget for 2017/18, the capital programme 2017/18 to 2021/22, government grants (the settlement), uncommitted reserves and balances, the cabinet member for finance's budget proposals and the resulting prudential indicators.

69. In light of the information provided cabinet must make a number of recommendations to council regarding the revenue budget, the capital programme and the prudential indicators.

Appendices

Appendix A.1	Revenue budget 2017/18
Appendix A.2	Opening budget adjustments
Appendix A.3	Inflation, salary increments and other salary adjustments
Appendix A.4	Essential growth
Appendix A.5	Base budget savings
Appendix A.6	Revenue contingency
Appendix B.1	Revenue growth
Appendix B.2	Revenue savings
Appendix C	Service budget analysis
Appendix D.1	Capital programme before growth
Appendix D.2	Capital growth bids
Appendix E	Prudential indicators
Appendix F	Medium term financial plan

Background Papers

Provisional settlement figures (December 2016)
Medium term financial strategy 2017/18-2021/22 – Cabinet 1 February 2017, Council 16 February 2017
Council tax base 2017/18 – Cabinet 1 December 2016, Council 15 December 2016
Treasury management strategy – Cabinet 1 February 2017, Council 16 February 2017