

<b>Public Accounts Select Committee</b>			
<b>Report Title</b>	Draft Budget Report for 2016/17		
<b>Key Decision</b>	Yes	<b>Item No.</b>	3
<b>Ward</b>	All Wards		
<b>Contributors</b>	Executive Director for Resources and Regeneration		
<b>Class</b>	Part 1	<b>Date:</b>	<b>27 January 2016</b>

**Lateness:** This report is presented late to enable officers to complete their work, as far as possible, on evaluating the outcome and assessing the implications of the provisional finance settlement announced on the 17 December 2015.

**Urgency:** This report needs to be considered at this meeting of the Public Accounts Select Committee (PASC) to enable any comments on the budget and budget assumptions for 2016/17 to be provided to Mayor and Cabinet at their meetings in February in time for the Council meeting of the 24 February. By law the Council has to have set a budget by the 12 March.

## **1. PURPOSE OF THE REPORT**

- 1.1 To present the draft budget report and supporting appendices for scrutiny by the PASC before it is presented to Mayor and Cabinet on the 10 and 18 of February and to Council on the 24 February.
- 1.2 The budget report sets out how the Council will meet its statutory responsibility to set a balanced budget annually in respect of the General Fund. In particular, this involves setting the Council Tax level for the year.
- 1.3 It also puts the budget in context of the wider economic indicators and government policy in respect of local government financing and establishes the Capital Programme, Housing Revenue Account (including rent levels), Dedicated Schools Grant, and Treasury Management Strategy for 2016/17.

## **2. RECOMMENDATION**

- 2.1 Members are asked to note the draft budget report appended to this covering report.

## **3. BACKGROUND**

- 3.1 It is an annual statutory requirement for the Council to set a balanced budget that reflects the priorities and values of the Council. The budget is set in the context of the Medium Term Financial Strategy approved by members, government funding announcements for the sector, and identified local pressures and risks.

- 3.2 The report allows for the Council Tax to be agreed and housing rents to be set for 2016/17. It sets the Capital Programme for the next four years and the Council's Treasury Strategy for 2016/17. Provides an update on the latest financial monitoring forecast to December 2015 and the latest estimates for the Dedicated Schools Grant and Pupil Premium allocations for 2016/17.
- 3.3 The report also provides summary information on the revenue budget savings proposals that were presented at Mayor & Cabinet on 30 September 2015. The approval and successful delivery of these savings are required in order to help balance the budget for 2016/17 and to address the budget requirement for 2017/18.
- 3.4 The report is draft because it has been prepared on the provisional local government finance settlement with the final due in early February and on the draft Greater London Authority precept estimates pending their budget being approved. In addition, the consultations with housing tenants and business rate payers have yet to be completed. These will be ready for and reflected in the February report for Mayor and Cabinet.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The financial implications are as presented in the budget report appended to this covering report. Members should note these are currently draft as the report is draft and has been prepared on the basis of the provisional local government finance settlement and may therefore change prior to submission to Mayor and Cabinet.

#### **5. LEGAL IMPLICATIONS**

- 5.1 The legal implications are as presented in the budget report appended to this covering report. Members should note these are currently draft as the report is draft and has been prepared on the basis of the provisional local government finance settlement and may therefore change prior to submission to Mayor and Cabinet.

#### **6. Human Resources**

- 6.1 The human resources implications are as presented in the budget report appended to this covering report.

#### **7. Crime and Disorder**

- 7.1 The crime and disorder implications are as presented in the budget report appended to this covering report.

#### **8. Equalities**

- 8.1 The equalities implications are as presented in the budget report appended to this covering report.

## **9. CONCLUSION**

- 9.1 This report provides members with the most up to date draft version of the budget report to be presented to Council on the 24 February.

## **10. BACKGROUND DOCUMENTS AND FURTHER INFORMATION**

For further information on this report, please contact:

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