

WRITTEN STATEMENT OF A NON-KEY DECISION CABINET

ITEM:	2016-17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (MTFS)
Members Present	Councillors: AW Johnson (Leader), H Bramer, J Lester, PM Morgan (Deputy Leader), GJ Powell, PD Price, P Rone.
Date of Decision:	21 January 2016
Exempt:	No
Confidential	No
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	To agree the draft 2016-17 budget and medium term financial strategy (MTFS) 2016-20 for recommendation to Council on 5 February.
Decision:	<p>THAT:</p> <p>(a) the following be recommended to Council:</p> <ul style="list-style-type: none"> i. approval of a 1.9% increase in council tax in 2016-17; ii. subject to meeting the eligibility criteria for levying the adult care precept, approval of an additional 2.0% increase in council tax in 2016-17. This will result in a total council tax increase of 3.9% increasing a total band D charge from £1,275.10 to £1,324.83 for Herefordshire Council in 2016/17; iii. approval of the draft 2016-17 revenue budget (at appendix 1 to this report); iv. approval of the draft medium term financial strategy (MTFS) which incorporates the capital programme approved by Council on 18 December (at appendix 2 to this report); v. approval of the draft treasury management strategy (TMS) (at appendix 3 to this report); and vi. in the event of final central government funding allocations being above or below the provisional settlement level and/or the adult care precept eligibility criteria not being met that variation be managed by an adjustment to general reserves.
Reasons for the Decision:	The council has a legal obligation to set a balanced budget and Council is responsible for approving a budget following recommendations from cabinet in line with the budget and policy framework rules within the constitution.

Options Considered:	<p>It is open to cabinet to recommend alternative spending proposals or strategies; however given the legal requirement to set a balanced budget should additional expenditure be proposed compensatory savings proposals must also be identified.</p> <p>It is open to cabinet to take account of different assumptions regarding adoption of the 2% adult care levy in future years of the medium term financial strategy. This is not recommended because of the known adult care pressures and funding reductions over the strategy period. The assumptions will be reviewed annually to ensure local taxation is at the minimum level necessary to meet local need.</p>
Conflict of Interest ■ (See below)	
Date the decision is due to take effect:	27 January 2016

COUNCILLOR P MORGAN	Date: 21 January 2016
DEPUTY LEADER OF THE COUNCIL	

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

And

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.