

Written statement of a budget and policy framework decision

Title	Setting the 2018/19 budget and updating the medium term financial strategy
Decision maker	Cabinet * for recommendation to: Council * Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	12 January 2018
Report exemption class	Open
A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	To seek the views of the general overview and scrutiny committee on the draft medium term financial strategy (MTFS) 2018-20 and the budget proposals for 2018-19.
Decision	<p>That:</p> <p>the following be recommended to Full Council:</p> <ul style="list-style-type: none"> i. the council tax base of 68,177.57 Band D equivalents; ii. an increase in core council tax in 2018/19 of 2.9%; iii. an additional precept in respect of adult social care costs of 2% applied to council tax in 2018/19 resulting in a total council tax increase of 4.9%; increasing the band D charge from £1,376.50 to £1,443.95 for Herefordshire Council in 2018/19; iv. the balanced 2018/19 revenue budget proposal of £144.1m subject to any amendments approved at the meeting specifically. <ul style="list-style-type: none"> a. The net spending limits for each directorate as at Appendix 3 b. The gross revenue budget of £241.2m c. Delegates to the section 151 officer the power to make necessary changes to the budget arising from any variations in central government funding

	<p style="text-align: center;">allocations via general reserves;</p> <p>v. the treasury management strategy at appendix 5 be approved;</p> <p>vi. the medium term financial strategy (MTFS) at appendix 1 be approved;</p> <p>vii. authority be delegated to the chief finance officer, in consultation with the cabinet member finance and the leader to make technical amendments (grammatical, formatting, and consistency) as necessary to finalise the appendix 1 and 3 for publication for council.</p>
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50023396</p>
Options considered	<ol style="list-style-type: none"> 1. 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. 2. Cabinet can propose that the intended total council tax uplift of 4.9% is achieved through a core council tax uplift of 2.9% and an adult social care precept of 2% (as opposed to 1.9% and 3% as included in the recommendations above). 3. Following the government's provisional settlement announcement on 19 December 2017, which raised the referendum principle, it is now open to Cabinet to propose that that the core council tax uplift is increased by 1% to 2.9%, bringing the total council tax increase for 2018/19 to 5.9%. This would increase the budget by £0.9m. 4. Cabinet can propose a council tax increase above the referendum principle levels. This is not recommended as doing so would require the increase to be subject to a local referendum, incurring additional costs to the council.
Declarations of interest (see below)	
Call-in expiry date	<p>Budget and policy framework item</p> <p>Under part 4, section 3 of the constitution, this decision is not subject to the usual call-in procedure as it is a budget and policy framework item and therefore must be decided at a meeting of the full Council.</p>

<p>Councillor:</p> <p style="text-align: center;">Leader of the Council (Councillor AW Johnson)</p>	<p>Date 12 January 2018</p>
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- 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.