

Item 8 - Budget and Precept 2016/17 and Medium term Financial Plan

Since the Authority papers were despatched, the final grant settlement has now been received and is more generous than the provisional one, in two ways:

- The Rural Services Delivery Grant is now confirmed as being additional to Revenue Support Grant rather than as previously an element within it
- A new Transitional Grant payable to Authorities where grant cuts are front loaded. Sixteen of 29 fire authorities have received payments and as a proportion of the overall settlement H&W receives the highest sum at 1.2% (compared to 0.6% average).

As a consequence the Authority now has £0.222m of additional resources in 2016/17 (and smaller additional sums in future years). Given that a balanced budget was already proposed with the expected resources this enables a further re-phasing of the use of balances, without changing the Precept decision for 2016/17.

This also results in a significant reduction in the 2017/18 budget gap from £0.698m to £0.299m.

A revised set of Appendices (numbered 8 to 11) is attached which will replace the existing Appendices 3 to 6.

It will also be necessary to make minor changes to the table on Revenue Reserves at paragraph 66 to:

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
General Balances at 1 April	1.838	1.838	1.538	1.538
Approved Use	(0.300)			
Proposed re-phasing	0.300	(0.300)		
General Balances at 31 Mar	1.838	1.538	1.538	1.538
Indicative Budget Requirement	31.992	31.172	31.025	31.388
% of Budget Requirement	5.7%	4.9%	5.0%	4.9%

and the Prudential Code Indicators table at Paragraph 2 of Appendix 7 to:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Financing Costs	1,756	2,723	2,939	2,975	2,908	2,969
Net Revenue Stream	31,366	31,059	30,907	30,075	30,058	30,551
Ratio	5.60%	8.77%	9.51%	9.89%	9.67%	9.72%

An amended set of Recommendations is therefore proposed:

It is recommended that:

i) the Capital Budget and Programme (Appendix 1) be approved;

ii) the Revenue Budget (Appendix 9) be approved;

iii) the Authority calculates that in relation to the year 2016/17:

- a) the aggregate expenditure it will incur will be £33,055,000.00;***
- b) the aggregate income it will receive will be £11,572,980.00;***
- c) the net amount transferred from financial reserves will be £631,000.00;***
- d) the net amount of its Council Tax Requirement will be £20,851,020.00;***
- e) the basic amount of Council Tax will be £78.00 (Band D);***
- f) the precept demands on the individual Billing Authorities are:***
 - Bromsgrove £2,761,550.31***
 - Herefordshire £5,216,038.18***
 - Malvern Hills £2,291,088.98***
 - Redditch £1,961,249.23***
 - Worcester £2,390,128.42***
 - Wychavon £3,678,286.20***
 - Wyre Forest £2,552,678.68***

iv) the Medium Term Financial Plan (Appendix 11) be approved; and

v) the Statement of Prudential Indicators and Minimum Revenue Provision Policy (Appendix 7 – with amendment above) be approved.

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