

**INFORMATION UPDATE****AGENDA ITEM 7****REPORT OF CABINET - 3 FEBRUARY 2016****ITEM 3 (Page 50) – MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2016/17**

1. This report updates members on details affecting the Council's budget and the Council Tax for 2016/17 that have become known since the Cabinet meeting on 3 February 2016.
2. The Cabinet's recommendation to the Council was that, for 2016/17, the Band D Council Tax should be set at £158.36, an increase of £2.60 or 1.67%. This was within the Government's referendum limit of a 2% increase set out within the provisional Local Government Finance Settlement. The final Settlement changed the referendum limit for all District Councils to an increase of 2% or more, and more than £5. This would represent a 3.2% Council Tax increase limit for this Council in 2016/17.
3. The final Settlement also provided a new transitional grant for those authorities most adversely affected by reductions in Revenue Support Grant. The Council is one of those authorities and is to receive a transitional grant of £111,120 for each of the next two years, to offset the loss of £2.240 million of Revenue Support Grant.
4. A minor adjustment was made to New Homes Bonus Grant, increasing the allocation received by £8,440. There were no other changes in grant.
5. Further information has also been received that clarifies the amount of grant to be received from the Government in relation to the funding for the cap on the small business ratepayers' multiplier in 2014/15 and 2015/16. As a result the expected level of income received by this Council for Business Rates has been reduced by £300,000.
6. The budget changes for 2016/17 identified in paragraphs 3, 4 and 5 above are summarised in the table below. Also shown is a budget reduction in the Planned Maintenance and Replacement Work budget to deliver a balanced budget in line with the Council's agreed budget strategy.

	£
Additional Grant	
Transitional Grant	(111,120)
New Homes Bonus	(8,440)
Reduced Business Rates Income	300,000
Reduction in Planned Maintenance and Replacement Work budget	(180,440)

7. The General Fund Net Budget Requirement in recommendation (a) of Item 3 of the Cabinet's report to the Council dated 3 February 2016 will now be £17,191,771 for 2016/17. An amendment to this effect will be proposed at the Council meeting on 22 February.

**For Further Information Contact:**

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**Background Papers:**

MTFP Reports – Cabinet October 2015/  
January 2016