

JOINT MEETING OF THE SCRUTINY COMMITTEES AND COMMISSIONS	Agenda Item No. 3
26 NOVEMBER 2015	Public Report

Report of the Executive Director Resources

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BUDGET 2016/17 AND MEDIUM TERM FINANCIAL STRATEGY TO 2025/26

1. PURPOSE

- 1.1. This report comes to the Joint Meeting as part of the Council's agreed process for budget-setting and as part of the process to approve a Council Tax Support Scheme for 2016/17.

2. RECOMMENDATIONS

- 2.1. That the Joint Meeting considers and makes appropriate recommendations on Cabinet's:
- Budget proposals outlined in the Medium Term Financial Strategy Phase 1 Budget Conversation document from Cabinet and Cabinet's specific report on 25 November 2015; and
 - Council Tax Support Scheme and discretionary hardship policy 2016/17.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1. The Budget 2016/17 and the Medium Term Financial Strategy continues to align to the priorities and vision for Peterborough set out in the Sustainable Community Strategy.

4. BACKGROUND

- 4.1. The Cabinet meeting on 25th November 2015 considered the Phase One budget proposals which contribute towards setting a balanced budget for 2016/17. However, these proposals will not provide a balanced budget for 2016/17 and it will be necessary for Cabinet to identify and consult on a second phase of savings commencing January 2016 to deliver the remaining £7.5m required. On 25th November Cabinet considered recommendations that:

- The Phase One budget proposals for consultation be approved (Appendix A).
- Cabinet convenes on 7th December 2015 to consider feedback in order to seek the endorsement of the Council meeting of 17th December 2015 to the Cabinet's savings proposals and plan to implement those proposals at the earliest opportunity.
- Peterborough's Council Tax Support Scheme 1 April 2016 – 31 March 2017 contains the following local components:
 - No change to the existing scheme entitlement of 30% for all eligible working age claimants
 - Align the Council Tax Support Scheme to Housing Benefit rules making it less complicated for claimants, namely to:
 - Limit backdating of council tax support to one month.

- Remove family premiums from all new claimants, or existing claimants who would otherwise have had a new entitlement to the premium, with effect from 1 May 2016.
 - A Council Tax discretionary hardship policy be implemented with effect from 1 April 2016.
- 4.2. Appendix A of this report contains the relevant report regarding the Medium Term Financial Strategy to Cabinet on 25 November 2015, and Appendix A of that report the Phase 1 Budget Conversation document can be accessed via the following link <http://democracy.peterborough.gov.uk/documents/s25489/8.%20Appendix%20A%20-%20Medium%20Term%20Financial%20Strategy%202016-17%20to%202025-26.pdf>
- 4.3. Appendix B of this report contains a copy of the Council Tax Support Scheme proposals also discussed at Cabinet on 25th November 2015.
- 4.4. All Cabinet Members and Directors have been requested to attend to answer specific questions the Joint Meeting may have.

5. KEY ISSUES

- 5.1. The key issues are outlined in the appendices of this report.

6. COUNCIL TAX SUPPORT SCHEME

- 6.1. Alongside the budget process, Cabinet is separately consulting on the Council Tax Support Scheme's operational parameters for 2016/17, which, under legislation, requires Council to approve a scheme by 31 January 2016. The consultation was launched by a separate Cabinet report on 25th November (Appendix B) recommended to approve the actions as outlined in section 4.1
- 6.2. Members of the Joint Meeting will have the opportunity to ask questions on the Council Tax Support Scheme during the meeting as part of the consultation process.

7. IMPLICATIONS

- 7.1. Budget proposal implications are outlined within the report to Cabinet in Appendix A. The report specifically makes reference to the consultation process and noted that the consultation to be undertaken as a result of Cabinet's report is on the budget proposals, and consequently the Cabinet's general approach to the savings requirements, and not on the various decisions to take whatever actions that may be implicit in the proposals and later adoption of that budget, each of which may or may not require their own consultation process.
- 7.2. Council Tax Support Scheme implications are outlined in Appendix B of this report.

8. CONSULTATION

- 8.1. The budget consultation process and proposals are outlined in section 6 of Cabinet's report in Appendix A. Feedback is sought from Scrutiny, residents, partner organisations, businesses and other interested parties on the Phase 1 proposals. The Council will look to repeat the outlined approach with the phase two proposals released in January.

9. NEXT STEPS

- 9.1. Any recommendations and comments made by the Joint Meeting will be referred to the Cabinet for consideration at their meeting on 7th December 2015.

10. BACKGROUND DOCUMENTS

- 10.1. Appendix A – Cabinet Report 25th November 2015 – Medium Term Financial Strategy 2015/16

Appendix A to the above Cabinet Report – Phase 1 Budget Consultation Document can be accessed via the following link :

<http://democracy.peterborough.gov.uk/documents/s25489/8.%20Appendix%20A%20-%20Medium%20Term%20Financial%20Strategy%202016-17%20to%202025-26.pdf>

- 10.2. Appendix B – Cabinet Report 25th November 2015 – Council Tax Support Scheme

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