

MEETING OF THE LEICESTERSHIRE COUNTY COUNCIL**WEDNESDAY, 22ND FEBRUARY 2017, AT 2.30 PM****AGENDA ITEM NO. 5**
REPORT OF THE CABINET

(Pages 27 to 206)

Principal Speakers:-
Mover of motion (as appropriate)
Leader of the Opposition (Mr S J Galton)**ALTERED MOTION***In accordance with Standing Order 15, the following altered motion will be moved:-*(A) Medium Term Financial Strategy 2017/18 – 2020/21

NOTES:

1. The Corporate Governance Committee at its meeting on 17th February 2017 approved the Risk Management Policy and Strategy set out in Appendix H to the report.
2. The final Local Government Settlement will be discussed by the House of Commons today (22nd February 2017). An additional recommendation (new recommendation U) has been added to allow for the budget proposals to be updated to take into account new information in the final settlement.
3. *The alteration to the motion relates to the removal of saving ET11, Public Bus Services – Revised Policy on Subsidised Transport from Appendix C. A new part (c) proposes that the saving requirement will be met through the outcome of the Review of Council Tax and Business Rates Collection and a new part (d) concerning a review of the effectiveness of the bus policy has been added.*

MR RHODES will move and MR RUSHTON will second:

- “(a) That, subject to the items below, the MTFs which incorporates the recommended revenue budget for 2017/18 totalling £348m as set out in Appendices A, B and E of this report and including the growth and savings for that year as set out in Appendix C, *subject to the removal of saving ET11, Public Bus Services – Revised Policy on Subsidised Transport*, be approved;
- (b) That the projected provisional revenue budgets for 2018/19, 2019/20 and 2020/21, set out in Appendix B to the report, be approved including the growth and savings for those years as set out in Appendix C *as amended by (a) above*, allowing the undertaking of preliminary work, including business case development, consultation and equality impact assessments, as may be necessary towards achieving the savings specified for those years

including savings under development, set out in Appendix D;

- (c) *That it be noted that the expected savings from the outcome of the Review of Council Tax and Business Rates Collection, set out in Appendix D, will total at least £1.3m;*
- (d) *That further work be undertaken into the cost effectiveness of the Council's policy on Subsidised Transport;*
- (e) That the early achievement of savings that are included in the MTFs, as may be necessary, along with associated investment costs, be approved subject to the Director of Finance agreeing to funding being available;
- (f) That the level of earmarked funds as set out in Appendix J be noted and the use of earmarked funds be approved;
- (g) That the amounts of the County Council's Council Tax for each band of dwelling and the precept payable by each billing authority for 2017/18 be as set out in Appendix K (including the adult social care precept of 2%);
- (h) That the Chief Executive be authorised to issue the necessary precepts to billing authorities in accordance with the budget requirement above and the tax base notified by the District Councils, and to take any other action which may be necessary to give effect to the precepts;
- (i) That the Director of Finance be authorised to approve changes to the Business Rates Pooling agreement, which might occur as a result of the creation of a Leicester and Leicestershire Combined Authority;
- (j) That the transfer of £2.85m from the Schools Block to the High Needs Block of Dedicated Schools Grant be approved;
- (k) That the 2017/18 to 2020/21 capital programme as set out in Appendix F be approved;
- (l) That the Director of Finance following consultation with the Lead Member for Corporate Resources be authorised to approve new capital schemes including revenue costs associated with their delivery;
- (m) That it be noted that new capital schemes, referred to in (l), are shown as future developments in the capital programme, to be funded from capital funding available;
- (n) That the financial indicators required under the Prudential Code included in Appendix L, Annex 2 be noted and that the following limits be approved:

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Operational boundary for external debt				
i) Borrowing	274.6	264.6	264.1	263.6
ii) Other long term liabilities	1.3	1.3	1.2	1.2
TOTAL	275.9	265.9	265.3	264.8
Authorised limit for external debt				
i) Borrowing	284.6	274.6	274.1	273.6
ii) Other long term liabilities	1.3	1.3	1.2	1.2
TOTAL	285.9	275.9	275.3	274.8

- (o) That the Director of Finance be authorised to effect movement within the authorised limit for external debt between borrowing and other long term liabilities;
- (p) That the following borrowing limits be approved for the period 2017/18 to 2020/21:
- (i) Upper limit on fixed interest exposures 100%
 - (ii) Upper limit on variable rate exposures 50%
 - (iii) Maturity of borrowing:-

	<u>Upper Limit</u>	<u>Lower Limit</u>
	%	%
Under 12 months	30	0
12 months and within 24 months	30	0
24 months and within 5 years	50	0
5 years and within 10 years	70	0
10 years and above	100	25

- (q) That the Director of Finance be authorised to enter into such loans or undertake such arrangements as necessary to finance capital payments in 2017/18, subject to the prudential limits in Appendix L;
- (r) That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2017/18, as set out in Appendix L, be approved including:
- (i) The Treasury Management Policy Statement, Appendix L; Annex 4
 - (ii) The Annual Statement of the Annual Minimum Revenue Provision as set out in Appendix L, Annex 1;
- (s) That the Risk Management Policy and Strategy (Appendix H) be approved;
- (t) That the Capital Strategy (Appendix G) and Earmarked Funds Policy (Appendix I) to the report be approved.
- (u) That the Director of Finance, following consultation with the Leader and Deputy Leader, be authorised to update the budget proposals to take into

account new information in the Final Local Government Financial Settlement on the basis that such changes will be reported to the Cabinet and Scrutiny Commission.'