

Item 8 - Financial Prospects and Budget Strategy 2019/20 and beyond

The attached report was considered by the Finance Advisory Committee on 4 September 2018. The relevant Minute extract is below:

Finance Advisory Committee - 4 September 2018 (Minute 21)

The Chief Finance Officer presented the first report for the 2019/20 budget setting process advising that it would be the ninth year of using the current Financial Planning Strategy that included the 10-year budget which had proved successful to date and placed the Council in a much stronger financial position than most other councils.

The report was intended to start the debate and the assumptions would be updated as more accurate information became available during the process. The main message within the report was that the Council was able to remain financially self-sufficient. The 10-year budget set out at Appendix B to the report, included no Revenue Support Grant (RSG) or National Homes Bonus (NHB) in any year as the Council continued to no longer be reliant on direct Government funding.

Any amounts that were received from these sources were placed into the Financial Plan Reserve which could be used to support the 10-year budget by funding invest to save initiatives and support for the Property Investment Strategy. Using the funding for these purposes would result in additional year on year income that was not impacted by Government decisions.

Members agreed the last 10-year budget in February and the changes that had been made since then were:

- Rolling 10-year budget on for one year and updating base figures.

No changes to assumptions had been made at this stage.

The changes resulted in a worse budget position at this stage of £475,000 over the 10-year period (or £47,500 pa). However, there was a surplus in 2017/18 of £856,000 which was transferred to the Budget Stabilisation Reserve which more than offsets this change.

Over the next couple of months the Cabinet Advisory Committees would be presented with their Service Dashboards and Service Change Impact Assessments (SCIAs) and a budget update report will then go to Cabinet in December to include their comments.

The 10-year budget approved in February included the need for £100,000 of new savings or additional income each year and Chief Officers were currently putting together a list of growth and savings items for 2019/20 which would be discussed with Portfolio Holders before being presented to the Advisory Committees. Officers were currently undertaking a review of the asset maintenance requirements for council owned properties and it was expected that this would result in a growth item, and future Council Tax

income levels would also be looked at taking into account the latest information including the Local Plan.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that

- a) the ten-year financial planning approach and principles set out in the report be endorsed;
- b) the Advisory Committees be requested to review the Service Dashboards and advise Cabinet of possible growth and savings options; and
- c) officers be requested to continue to review the assumptions as detailed within in the report and report back to Cabinet on 6 December 2018.