Policy and Performance Scrutiny Panel – 9 February 2017

Consideration was given to a joint report of the Chief Financial Officer (CFO) and Chief Executive concerning the Council’s proposed budget for 2017/18.

Sarah King, (CFO) and Corporate Director, Support Services, provided a presentation advising how the Budget was constructed from the approved Medium Term Budget Strategy, and included the continuing Efficiency Strategy. All Members had been invited to the meeting with an especial invite to the Audit and Resources Committee.

A revised table of expenditure relating to the Non-Parished Area 2017/18 (to replace pages 6 and 7 of the report) was tabled.

The process of preparing the Revised Budget for 2016/17, and the Budget for 2017/18, began in October 2016 when Cabinet and Council had approved the Medium Term Budget Strategy. This provided the background for the preparation of the Revised Budget for 2017/18. Taking account of the Grant Settlement from the Government, and allowing for a 0% Council Tax increase in 2017/18, the Draft Budget as presented was a balanced Budget that set the Council’s net Budget requirement in 2017/18 at £9,849,470. The Budget Summary (Appendix A to the report) included a projection for the Council’s Budget to 2019/20. The summary included the on-going efficiency savings the Council needed to meet in future years.

Service Managers had identified the following budgetary pressures that could not be resourced with the existing budgets, there were: loss of income for car parks of £100,000; two additional Elections in 2016/17 at £20,000; independent property asset valuations at £12,000 for 2016/17; the Apprenticeship Levy, a net budget of £63,000 that had been included for each year of this Strategy from 2017/18; and loss of MOT income due to resources and to which Cabinet were asked to approve a budgetary growth of £10,000 for 2016/17.

The CFO added that the service redesign was on target to save the £1.7M forecast, with an additional £1M to find as part of the Efficiency Strategy before the end of 2018/19; there had been no changes proposed to the Local Council Tax Support (LCTS) Scheme for 2017/18 and therefore the local grant to Parish/Town Council would continue for 2017/18 at a cost of £174,000 (this was met by Government grant with the balance being met from the surplus on the local scheme); and with the inevitability of interests rates rising from time to time, the intention was to continue borrowing short-term but to convert a proportion of the debt to long term early in the new financial year.

The CFO concluded that the Council’s current financial position was healthy and demonstrated the success of both its Efficiency Strategy and Asset Management Plan in acquiring assets with a high rental yield. There was however a great deal of uncertainty regarding the future in terms of the general economy and the impact of the Government Resources Review. It was essential that the Council continued to develop further efficiency proposals that would deliver sustained savings over the next three years.
The Chairman thanked the CFO for an informative presentation and invited questions from Members. A few questions were asked by both Members in attendance and this Panel. They were responded to fully by the CFO.

Members thanked the CFO, her team, and the Chief Executive, for all the hard work involved in putting together what was a comprehensive and balanced budget and for managing the risk and finances effectively.

It was AGREED –

(1) That the Budget report 2017/18 be recommended to Cabinet;

(2) That the on-going support to Parish Councils be noted and supported; and

(3) That training sessions be arranged for Members to increase their knowledge of commercialism.

(NOTE: Councillors Hatfield and Lear abstained from the vote.)