



Report Reference Number: PR/17/4

Agenda Item No: 6

To: Policy Review Committee
Date: 16 January 2018
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Lead Officer: Karen Iveson, Chief Finance Officer

Title: Draft Revenue Budget and Capital Programme 2018/19 and Medium Term Financial Plan

Summary: The report allows the Policy Review Committee the opportunity to comment on the Executive Report - Draft Revenue Budget and Capital Programme 2018/19 and Medium Term Financial Plan.

Recommendation:

The Policy Review Committee provides comments on the Draft Budget, Capital Programme and Medium Term Financial Plan 2018/19.

Reasons for recommendation

- To enable the views of the Policy Review Committee to be considered by the Executive before the final budget proposals are submitted to full Council.
- Members ensure the contribution of scrutiny is effective in supporting service improvement and delivery against district wide and Council priorities.

1. Introduction and background

1.1 At the meeting held on 7 December 2017, the Executive discussed report E/17/37 and agreed to approve the draft budgets, bids and savings for public consultation and submit the proposals to the Policy Review Committee for comment.

2. The Report

2.1 The Policy Review Committee is asked to review the Executive report, set out in Appendix 1 and to provide comments before the Executive finalise the budget proposals for submission to full Council on 22 February 2018.

2.2 The Executive report presented the draft revenue budget, capital programmes and Programme for Growth for 2018/19 to 2020/21. The

2018/19 budgets showed a forecasted deficit of £6k on the General Fund and a £885k surplus on the HRA (£300k short of position estimated when the forecasts were updated in February 2016), which is required to fund the housing capital programme.

- 2.3 Over the next three years a total funding shortfall of £3.7m was forecast on the General Fund. The report identified a number of budget pressures, presented an update on the savings plans and highlighted the remaining savings required to bridge the gap between spending and resources.
- 2.4 In accordance with the approved MTFs the draft budget assumes an element of funding drawn down from the Business Rates Equalisation Reserve whilst work on savings initiatives comes to fruition. £2.4m of reserves has previously been earmarked to support the revenue savings. To date £377k has been used, a further £668k is planned to be used in 2018/19 and then £81k in 2019/20. However, the on-going use of reserves to support the revenue budget in this way is not sustainable and therefore as part of the next refresh of the MTFs, options for future savings will be sought in the context of emerging budget risks.

3. Legal/Financial Controls and other Policy matters

3.1 Legal and Financial Issues

As set out in the Executive report E/17/37 attached as Appendix 1, of this report.

4. Conclusion

Following comments from Policy Review Committee and public consultation responses, the Executive will consider the final budget proposals on 1 February 2018 and submit these to full Council for approval on 22 February 2018.

5. Background Documents

None.

Appendices:

Appendix 1 – Executive Report E/17/37 (including supporting appendices)
Appendix 2 – Minutes of the Executive meeting held on 7 December 2017

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