

CABINET MINUTE: 01 DECEMBER 2015

Cabinet received a report from the Chief Officer (Resources) which provided an update on the Council's financial position to help inform development of Cabinet's corporate planning and budget proposals.

Given that the report was primarily for information, no specific options were put forward.

Budget work was progressing pretty much as planned but as more Government announcements were made, the scope for change and uncertainty had increased. Whatever the position, ahead of its next formal meeting Cabinet needed to make the most of the time available to it, by progressing its prioritisation and consideration of budget and planning options.

Focus must be on setting a four-year plan. For General Fund in particular, this is the only way in which reasonable planning can be achieved for the Council's reserves and Balances. Various savings proposals will have up-front costs, risks and lead-in times attached – Balances are a key tool with which these can be managed. If the current year's forecast underspending proved accurate, the budgeted £1M use of Balances would reduce by £608K, falling to £392K in 2015/16. This would result in Balances reaching £4.233M by 31 March 2016. If advice on the minimum level (currently set at £1M) remains unchanged, then £3.233M of Balances would be available to help achieve a sustainable budget over the coming years. Cabinet would expect this to be used wisely over four years.

Councillor Newman-Thompson proposed, seconded by Councillor Bryning:-

"That the recommendations, as set out in the report, be approved."

Councillors then voted:-

Resolved unanimously:

- (1) That the draft budgetary position for current and future years as set out in the report as an interim update, be approved.
- (2) That the update be referred on to December Council for information.
- (3) That for the next Cabinet meeting in January, Cabinet determines its draft corporate planning and associated budget proposals to balance the General Fund budget to 2020, drawing on information from the report, the budget options currently being collated by Officers, and Government's announcements regarding the Spending Review and the Settlement.
- (4) That the proposals referred to in 3) above be published at the earliest opportunity, to allow feedback and due consultation.
- (5) That Cabinet notes the working principle regarding surplus balances outlined at section 3.3.3, drawing on existing approved financial strategy.

Officers responsible for effecting the decision:

Chief Executive
Chief Officer (Resources)

Reasons for making the decision:

This is an interim update as the Chancellors Autumn statement has not provided greater clarity on the financial position affecting the council. The financial situation will become clearer when details of the local government settlement are received within the next few weeks. Cabinet will as a result need to consider its draft budget proposals on 19th January 2016 and present these to the Budget and Performance Panel on 26th January 2016. Other briefings can be provided at the same time. This is essential to allow due consultation with elected members, stakeholders and to help manage community expectations. Inevitably deadlines are tight but this is unavoidable given the timing of the Government funding announcements and the statutory deadline (11 March 2016) for setting the budget. The decision to note the working principle regarding balances in the report leads into considering carefully the use of estimated available balances to help balance the budget over the next four years.