**POLICY AND RESOURCES COMMITTEE – 29 JANUARY 2018**

**PART I - NOT DELEGATED**

**12. FINANCIAL PLANNING - RECOMMENDATIONS**

(DoF)

1. **Summary**

1.1 This report enables the Committee to make its recommendations on the Council’s Revenue and Capital budgets and Treasury Management Strategy for the period 2018-21 (medium term) to Council on 20 February 2018.

2. **Details**

***Context***

2.1 The Committee is reminded that each report on this agenda needs to be considered before the recommendations on this report are agreed.

***Revenue Budget***

2.2 The Committee should agree the revenue budget as amended for any growth or additional savings it proposes to add.

***Capital Strategy and Investment Programme***

2.3 The Committee should agree the level of capital investment for 2018/19 to 2020/21 having regard to any balances it wishes to see carried forward.

3. **Options/Reasons for Recommendation**

3.1 The recommendation below enables the Committee to make recommendations to the Council on 20 February 2018 concerning the Council’s strategic, service and financial plans.

4. **Policy/Budget Reference and Implications**

4.1 The recommendations in this report contribute to the process whereby the Council will approve and adopt its strategic, service and financial plans under Article 4 of the Council’s Constitution.

5. **Financial, Staffing, Environmental, Community Safety, Customer Services Centre, Communications & Website Implications**

5.1 Dependant on budget decisions. Specific comments are contained within earlier reports.

6. **Financial Implications**

6.1 The key financial implications for the Council are:-

* Officers recommend a minimum prudent revenue balance of **£2,000,000** in the light of the financial and budgetary risks.
* The general fund balance at 31 March 2021 is **£2,160,104**.
* The base budgets include efficiency savings of £100,000 in 2019/20 and £200,000 in both 2020/21. These have yet to be specifically identified to services.
* A **£5 increase** in its Council Tax charge for 2018/19 and beyond.
* Year on year reductions in government grant over the medium term.
* Capital balance is estimated to be **£4,496,913** at 31 March 2021.

8. **Equal Opportunities Implications**

8.1 ***Relevance Test***

|  |  |
| --- | --- |
| Has a relevance test been completed for Equality Impact? | No |
| Did the relevance test conclude a full impact assessment was required? | No  (not applicable) |

8.2 ***Impact Assessment***

A relevance test has not been carried out on the recommendations for their equality impact, however, each service plan includes an equality action plan. There is a programme of equality impact assessments for individual service areas and any new proposals for individual services will require an impact assessment. Data has been gathered on the equality impact of changes in council tax. No significant differences of opinion were found on the grounds of race, disability or gender.

9. **Risk Management and Health & Safety Implications**

9.1 The Committee should recommend that the financial and budgetary risks identified be incorporated into service plans as appropriate.

10. **Recommendations**

Either

10.1 **To Council:-**

(a) That the 2017/18 revised estimates for the revenue account be agreed giving a balance at 31 March 2018 of **£3,347,382**. *(Agenda Item 8 Appendix 1 refers).*

(b) That the draft revenue estimates in respect of the revenue account for the period 1 April 2018 to 31 March 2021, subject to the changes agreed, be approved *(Agenda Item 8 refers).*

(c) That it be noted that **£2.0 million** be considered as a prudent minimum balance for the general fund.

(d)That the financial and budgetary risks be agreed and their management monitored by the Audit Committee. *(Agenda Item 8 refers).*

(e) That the total capital strategy and investment programme for 2017/18 be agreed at **£18,584,600**. *(Agenda Item 9 refers).*

(f) That the arrangements for funding the 2017/18 capital strategy and investment programme resulting in an estimated balance of capital resources at 31 March 2018 **of £12,394,233** be agreed. *(Agenda Item 9 refers).*

(g) That the Council notes the capital funding available and approves the Policy and Resources Committee’s allocation of funds for the period from 1 April 2018 to 31 March 2021 *(Agenda Item 9 refers).*

1. That the Treasury Management Strategy 2018/19 - 2020/21 be approved. *(Agenda Item 10 refers) and*

(i) That the Council notes the Director of Finance’s advice on the robustness of the estimates and the adequacy of the financial reserves.

Or

10.2 That the Policy and Resources Committee notes that the Administration will publish its final recommendations on Financial Planning 2018-2021 five working days prior to the Council meeting on 20 February 2018 and present them at this meeting.

Report prepared by:

Bob Watson – Head of Finance

Nigel Pollard – Section Head (Accountancy)

Joanne Wagstaffe – Director of Finance

Background Papers:

2017/18 Budget Monitoring Reports

Fees & Charges Reports to Committees

2017-21 Financial Planning Report

***The recommendations contained in this report DO NOT constitute a KEY DECISION but contribute to the process whereby the Council will approve and adopt its Strategic, Service and Financial Plans under Article 4 of the Council’s Constitution***