

COTSWOLD DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE
(SPECIAL MEETING)

7TH FEBRUARY 2017

Present:

Councillor Jenny Forde - Chair
Councillors -
SI Andrews RG Keeling
Julian Beale Jim Parsons

Substitutes:

Juliet Layton

Observers:

SG Hirst (from 11.30 a.m.) RL Hughes

Apologies:

NP Robbins

OS.47 SUBSTITUTION ARRANGEMENTS

Councillor Juliet Layton substituted for Councillor NP Robbins.

OS.48 DECLARATIONS OF INTEREST

(1) Member Declarations

There were no Declarations of Interest from Members under the Code of Conduct.

(2) Officer Declarations

There were no Declarations of Interest from Officers.

OS.49 CHAIR'S ANNOUNCEMENT

The Chair referred to the informal session that would follow on from the Special Meeting to discuss future work programme issues.

OS.50 DRAFT MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21 AND BUDGET 2017/18

The Committee was requested to consider the most recent update of the Medium Term Financial Strategy (MTFS) for the period 2017/18 to 2020/21, in the light of consultation feedback and other developments since the Committee's December 2016 Meeting; and to provide feedback to the Cabinet and Council as part of the Budget process.

To aid Members in their deliberations, and given the continually-changing circumstances, the Chief Finance Officer gave a presentation to the Committee which set out the detail of the budget-setting process; presented the consultation feedback; highlighted what had changed since the draft MTFS and budget proposals; drew attention to the key components of the revised MTFS and budget 2017/18, including capital funds and revenue reserves; and identified the biggest risks to the MTFS and 2017/18 budget.

Particular attention was drawn to the following changed circumstances:-

- the fact that the Government had confirmed this Council's request for a four-year settlement (2016/17-2019/20) - which would provide a greater degree of certainty in relation to budget setting;
- reforms to the New Homes Bonus scheme, including a reduction in the number of years for which legacy payments would be made (from 6 years to 5 years in 2017/18 and then to four years from 2018/19) and the introduction of a baseline for housing growth, initially set at 0.4%, with housing growth beneath such level not benefitting from NHB allocations;
- while there were still significant risks around business rates appeals, the value of retained business rates had a positive impact.

It was explained that, in summary, a slightly increased budget surplus was estimated for 2017/18; a surplus rather than a deficit was now estimated for 2018/19; the position was similar to the original estimate for 2019/20 with a small deficit; but that greater challenges would be faced in 2020/21.

Members were reminded that there would be a further opportunity to discuss and debate the MTFS and budget at the Council Meeting on 21st February 2017.

in response to questions, the Chief Finance Officer confirmed that the budget process was iterative, starting with a review of assumptions around inflation, savings, and any known budget matters that had arisen late in the previous financial year; savings were based on the strategies and policies determined by the Council, and targets were set; General Fund Working Balances enabled the Council to manage in-year changes; the budget-planning process was impacted by any late Local Government Finance Settlement announcement; any volatility in the Retained Business Rates Scheme was expected to be smoothed by an adjustment to the tariff set by central government; there was a requirement to undertake budget consultation with businesses, but it was also good practice to extend such consultation to residents; capital and revenue reserve levels remained 'healthy'; generally, there were financial advantages to purchasing rather than leasing fleet vehicles; and that the position on the Pension Fund was being managed effectively.

The Committee thanked the Chief Finance Officer for what had been a most informative and interesting presentation.

RESOLVED that the report be noted and the following comment be forwarded to the Cabinet and the Council:-

‘Having regard to the information gleaned from its involvement in the review of planning enforcement thus far, the Overview and Scrutiny Committee considers it highly likely that a recommendation will be forthcoming seeking funding for additional service resource’.

Record of Voting - for 6, against 0, abstentions 0, absent 0, vacancy 1.

The Meeting commenced at 10.10 a.m. and closed at 11.43 a.m.

Chairman

(END)