

AGENDA ITEM NO. 7

OVERVIEW AND SCRUTINY PANEL

Date	16 JANUARY 2012
Title	DRAFT MEDIUM TERM FINANCIAL STRATEGY AND GENERAL FUND BUDGET 2012/13

1. PURPOSE

To consider :

- the draft Medium Term Financial Strategy, General Fund Budget 2012/13 and Capital Programme 2012 – 2015 for consultation,
- the revised General Fund Budget and Capital Programme for 2011/12.

2. KEY ISSUES

- The Provisional Local Government Finance Settlement for 2012/13 was announced on 8 December 2011. We are currently awaiting the final announcement which is due at the end of January 2012.
- The Provisional Settlement has reduced the Council's Government Grant by £1.155m in 2012/13 (-14.2%), a cumulative reduction of 29.6% over two years.
- Significant savings of £1.179m are required over the next two years. Of this, the required amount for 2012/13 of £1.082m has been identified.
- For the period 2012/13 – 2015/16 savings of around £1.914m will be required, subject to the outcome of the Local Government Resource Review.
- The Local Government Resource Review will have a significant impact on the Council's future resources, from 2013/14 onwards. Consequently, forecasts for these years should be treated with caution.
- Revised estimates for 2011/12 are projecting a reduction of £100,000 in the use of balances (£200,000 originally estimated).
- Council tax increase for 2012/13 to be determined (2.5% provisional increase in the following years).
- An updated Capital Programme for 2011/12 and for the medium term 2012-15 is proposed.
- Given the scale of the challenges faced by the Council, the financial forecasts represent a considerable achievement and demonstrates the focus from Officers throughout the Council in delivering the required savings.
- The Council continues to focus on delivering quality services and to minimise the impact on front-line services.

3. RECOMMENDATIONS

It is recommended that Members consider and make any appropriate recommendations to Cabinet on:-

- (i) the draft budget proposals for 2012/13 outlined in this report;
- (ii) the revised estimates for 2011/12;
- (iii) the revised capital programme.

Wards Affected	All
Forward Plan Reference No. (if applicable)	
Portfolio Holder(s)	Cllr Alan Melton, Leader and Portfolio Holder, Policy and Resources Cllr John Clark, Portfolio Holder, Quality Organisation
Report Originator	Rob Bridge, Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant
Contact Officer(s)	Paul Medd, Chief Executive Rob Bridge, Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant
Background Paper(s)	Provisional grant settlement – Department for Communities and Local Government (DCLG). Medium Term Financial Forecasts working papers. Government announcements since February 2011.