

**COUNCIL**  
**21<sup>ST</sup> FEBRUARY 2018**

**RECOMMENDATIONS OF CABINET ON THE BUDGET 2018/19**

**EX/75 Budget 2018/19**

The Cabinet Member for Finance and Assets reported the details of the proposed 2018/19 revenue and capital budgets and reviewed the Medium Term Financial Strategy, which had been approved in December 2017. It was noted that the Council was able to set a balanced budget for 2018/19, generating a small surplus and a small surplus was also anticipated in 2019/20, despite Government revenue grant turning negative. Beyond 2019/20, the Government had proposed a significant change of business rate policy which was likely to impact badly on the Council's finances and, without action, would result in budget deficits. The budget projections beyond 2020 were for deficits of £1,600,000 in 2020/21 and £2,300,000 in 2021/22.

It was planned to continue to deliver savings and income generation through a combination of measures including: service and productivity reviews; shared services; procurement; income generation; and other efficiency measures.

The report set out a series of prudential indicators, which were a statutory requirement to demonstrate that the Council's capital programme was affordable and prudent in the context of the Council's overall finances, together with a statement on the robustness of reserves.

The proposals were supported by the Finance and Assets Policy Development Advisory Group.

**RECOMMENDED TO COUNCIL**

- (i) That the level of Council Tax for 2018/19 be increased from £140.60 by £5 (3.56%) to £145.60 at Band D.
- (ii) That the net revenue budget for 2018/19 of £10.714m be approved (Appendix A to the report).
- (iii) That Special Expenses of £284,762 (Appendix D to the report) and a Band D charge of £24.60 be agreed in respect of the unparished area for 2018/19.
- (iv) That the capital programme for 2018/19 (Appendix E to the report) be approved and that the indicative capital budgets in the programme for future years be noted.
- (v) That the projected future deficit on the revenue account in 2020/21 and 2021/22 be noted and the Medium Term Financial Strategy continues to be reviewed and refined to ensure that decisions are taken to develop a balanced budget in these two years.

- (vi) That the Minimum Revenue Provision (MRP) Statement set out in Appendix F to the report be approved.
- (vii) That the prudential indicators and limits for 2017/18 to 2020/21 set out in Appendix G to the report be approved.
- (viii) That the statement on the robustness of the level reserves in Appendix I to the report be noted.

#### REASON

To meet the Council's statutory requirement to approve the budget and the prudential indicators before the start of a new financial year.