

CABINET**Tuesday, 15th November, 2016**

Present:-

Councillor Burrows (Chair)

Councillors T Gilby
T Murphy
Blank
Huckle

Councillors Ludlow
Serjeant
A Diouf

Non Voting Members Bagley
J Innes
Brown

Hollingworth
Wall

*Matters dealt with under the Delegation Scheme

86 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

87 APOLOGIES FOR ABSENCE

There were no apologies for absence.

88 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 1 November, 2016 be approved as a correct record and signed by the Chair.

89 FORWARD PLAN

The Forward Plan for the four month period 1 December, 2016 to 31 March, 2017 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

90 **GENERAL FUND REVENUE AND CAPITAL BUDGET MONITORING
REPORT AND UPDATED MEDIUM TERM FINANCIAL FORECAST -
SECOND QUARTER 2015/16**

The Director of Finance and Resources submitted a report outlining the budget position at the end of the second quarter, covering the General Fund Revenue account, the General Fund Capital account, the Housing Revenue account as well as the Housing Capital Programme.

The Director of Finance and Resources noted that the medium term financial outlook would continue to be challenging, and that in order to obtain some certainty and stability for the council's finances the offer from the Department for Communities and Local Government to apply for a four year funding settlement had been taken up, and as a condition of doing so the council had submitted an Efficiency Plan to the department on 14 October 2016. The report noted that the council had started 2016/17 with a forecast deficit of £236,000 after £1,029,000 of projected savings, but that by the end of the second quarter, taking into account adjustments to the savings target as well as other variances, there was a revised deficit forecast of £326,000. A table providing a summary of the key variances from the original was included in the report. The report also included an update on the position regarding capital receipts as well as details of the various reserves, including the General Working Balance, Budget Risk Reserve and Invest to Save Reserve maintained by the council.

The report noted that the council continued to face major financial challenges in the years ahead. It was noted that the current years' deficit could be reduced by tight budgetary control throughout the remainder of the year, and that any residual deficit could be met from reserves. The Director of Finance and Resources noted however that the use of reserves was not a sustainable solution and that the focus should be on providing longer term solutions. It was also noted that attention should to be maintained on the medium term where the scale of the forecast deficits was such that some significant budgetary savings would need to be considered and implemented.

***RESOLVED –**

1. That the financial performance in the first half of the financial year and the new medium term forecast be noted.
2. That the efficiency plan submitted to the Department for Communities and Local Government be noted.
3. That the proposed use of reserves, as set out in section 6 of the officer's report be noted.
4. That the changes to the Housing Revenue Account budget, as set out in section 8 of the officer's report be noted.
5. That the budget preparation guidelines, as set out at paragraph 9.1 of the officer's report be supported.
6. That the revised approach to budget consultation, as set out at paragraph 9.3 of the officer's report be supported.
7. That the officer's report and its recommendations be referred to full Council for their consideration and approval.

REASON FOR DECISIONS

To monitor the Council's finances.