

**FINANCIAL STRATEGY**

1. A five year forward plan will be maintained, reviewed and rolled forward each year as part of the budget process, encompassing:
  - ◆ Proposed development of services and opportunities to develop income.
  - ◆ Budget savings plans including: 'cease and reduce' activity; voluntary redundancies; vacancy control; cost control etc.
  - ◆ A General Fund revenue expenditure forecast.
  - ◆ A capital expenditure and resources plan.
  - ◆ A HRA budget.
  - ◆ Proposed use of reserves and balances.
  
2. Within constraints imposed by either Government legislation or the economic climate, sufficient resources (both capital and revenue) should be secured or reserved to enable the Council to:
  - ◆ Produce a balanced budget.
  - ◆ Deliver and invest services which help to achieve its priorities and objectives.
  - ◆ Maintain a capital programme which will not only improve the range of facilities provided for the public but will also adequately maintain the existing asset base.
  
3. Every effort will be made to keep revenue spending within a reasonable percentage of the previous year's level. Wherever possible, new service developments should be funded from savings, grant or additional income.

The Council's revenue budget shall be prepared in accordance with the Council's budget strategy.
  
4. General Fund balances will only be used to reduce the Borough Council's call on the Collection Fund in exceptional circumstances, e.g. to meet significant non-recurring expenditure, to even out major fluctuations or to keep within imposed spending limits.
  
5. In order to sustain its capital programme, the Council has plans:
  - ◆ To raise capital receipts by an average of £1-2 million a year (in addition to those from the sale of Council houses) in 2017/18 and 2018/19. Further significant receipts will need to be identified from 2019/20 and LINACRE remains a key asset to be disposed/developed.

## Appendix D

- ◆ To continue to bid and benefit from grants from bodies such as: Sheffield City Region, HCA, Sport England etc.
  - ◆ Where appropriate, encourage private sector schemes either on their own or jointly with the Council.
  - ◆ Seek to maximise receipt of capital grant.
6. The current policy is to maintain a minimum Working Balance of £1.5 million for the General Fund and £3.0 million for the HRA. In addition a prudent level of earmarked reserves will be maintained for known liabilities and to even-out charges to the revenue account (e.g. property repairs, self-insurance claims, vehicle & equipment replacement reserves etc.). The level of all reserves and balances will be reviewed at least annually.
7. At the close of a financial year, unless there are unusual circumstances:
- ◆ Any under-spending on General Fund will be transferred to the Budget Risk Reserve except to the extent that approval is given to carry forward unspent budgets to the subsequent financial year or are required to meet future revenue spending, in which case they will remain in the General Working Balance;
  - ◆ Any overspending will be met from the Budget Risk Reserve or General Fund balance.
  - ◆ Any D.L.O./D.S.O. surpluses arising in the year which are not required for operational purposes will be allocated as follows:-
    - (i) the Maintenance of Buildings D.L.O. surplus relating to Housing repairs work will be transferred to the Housing Revenue Account.
    - (ii) an amount equivalent to any remaining surpluses will be transferred to the Budget Risk Reserve.
8. The Council's asset portfolio of land and property is being reviewed annually in order to:
- ◆ Identify poorly performing or under-used assets for disposal.
  - ◆ Draw up a longer-term acquisition and disposal plan.
  - ◆ Minimise void periods on investment property.
  - ◆ Ensure prompt reviews of rent in accordance with lease terms.
  - ◆ Review and extend the property repair and renewal plan.
  - ◆ Invest in assets which generate income.
9. Fees and charges are reviewed in accordance with the Council's Charging Policy and in all cases will review them at least annually.

10. The budget risks will be identified and assessed at the start of each financial year and monitored throughout the year on a quarterly basis.
  
11. The financial strategy should be kept under continuous review in the light of developing legislation and the perceived needs of the Borough.