

**Blaby District Council**  
**Scrutiny Commission**

**Date of Meeting** 10 January 2018  
**Title of Report** **Budget Context Setting and Overview**  
**Report Author** Strategic Director (Section 151 Officer)

**1. What is this report about?**

- 1.1 This is an information report which gives Members an overview of the budget proposals for 2018/19 Financial Year, including an update on significant points arising from the Settlement of December 2017.

**2. Recommendation(s) to Scrutiny Commission**

- 2.1 That Scrutiny Commission considers the information contained in the report and comments on the budget process and arrangements for the scrutiny of the budget proposals.

**3. Reason for Decision(s) Recommended**

- 3.1 To inform and seek Scrutiny Commissions comments on the proposals.

**4. Matters to consider**

4.1 Background

The purpose of this first budget session is to give Members a view of:

- the net budget requirement for the Authority for the 2018/19 financial year
- the sources of funding to meet this budget requirement
- any gaps arising
- options open to the Council to meet the funding gap
- the context within which the budget has been formulated and any high level assumptions
- a summary of key points from the Settlement of December 2017
- the draft of the revised Medium Term Financial Strategy (MTFS) financial summary

4.2 Proposal(s)

This information is presented in documents within the appendices and are

provided to inform Scrutiny in order to understand and scrutinise the budget leading up to Council considering the budget proposals at February Council. It is important to note that this budget is in draft format and may change prior to the February meeting should additional information become available.

#### 4.3 Relevant Consultations

Officers from Finance and all services have worked closely together to compile the draft budget.

#### 4.4 Significant Issues

None

### 5. What will it cost and are there opportunities for savings?

- 5.1 Detailed budgets will be presented to Scrutiny during the portfolio budget sessions in January 2017 which will demonstrate where savings have been made or additional costs incurred.

### 6. What are the risks and how can they be reduced?

6.1	Current Risk	Actions to reduce the risks
	Reductions in the Government Grant Settlement over and above that which has been built into the MTFS.	The Council has taken a prudent approach in forecasting its core grant funding for the MTFS and have included figures provided in the 4 year settlement. General Fund balances remain healthy and can be used to support the budget in the short to medium term.
	Withdrawal of external funding.	External funding has only been built into the base budget to the extent that it has been confirmed by partner organisations. Officers continue to work with the Council's partners to minimise the impact of funding cuts on services.
	Change to the Business Rates Retention Scheme. It is not yet known exactly when the new arrangements will come into effect nor how retained business rates will be distributed between the tiers of local government.	The Council will continue to monitor any information released including the pilot schemes that have been recently announced. Any further consultation will be responded to and understood. Should it be necessary the assumptions within the MTFS will be amended to illustrate the potential impact of any changes.

### 7. Other options considered

7.1 None. It is necessary for Members to understand the financial context in which the budget is set.

**8. Other significant issues**

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

**9. Appendix**

9.1 Appendix A – 2018/19 Budget Overview 10<sup>th</sup> January 2018 (to follow)

9.2 Appendix B – Schedule of Reserves (to follow)

9.3 Appendix C – Draft MTFs Financial Summary (to follow)

9.4 Appendix D – Future Financial Gaps and Impact on Reserves (to follow)

9.5 Appendix E – Schedule of External Funding (to follow)

**10. Background paper(s)**

None.

**11. Report author's contact details**

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