

Appendix H

STATEMENT ON THE GENERAL FUND BUDGET PROPOSALS BY THE CHIEF FINANCE OFFICER

1. Background

Section 25 of the Local Government Act 2003 requires the Chief Finance Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts. Authorities are required to consider their Chief Finance Officer's report when setting precepts.

2. Summary Opinion

Having considered and taken into consideration the issues detailed within the report, I am able to give a positive opinion on the robustness of the estimates and the adequacy of financial reserves for 2018/19.

This opinion is based on the draft budget proposals to be presented to Cabinet in February 2018. Should any of the assumptions currently included within the proposals change substantially then this opinion will require review.

3. Robustness of the Estimates

Estimates Procedures and Processes

In providing a positive opinion on the robustness of the Estimates and Council Tax procedures I have relied on the assumptions and factors as detailed within the Budget report. These include well established and tested process and procedures and in this financial year a further layer of challenge and risk analysis has been introduced with the Challenge Boards. I can therefore confirm that I am satisfied that the Council has robust procedures in place.

These procedures will be reviewed regularly, in particular in light of the continuing public sector spending constraints.

4. Determination of the level of resources available.

This year is the final year of the Revenue Support Grant settlement and is in line with expectation, the New Home Bonus for 2018/19 exceeded expectation by £145,000.

5. Affordability of Spending Plans

In assessing this issue the following factors have been taken into account:

- The level of Council Tax considered acceptable both locally and nationally – the Government has uplifted the assumed increased to 2.99% and the Cabinet is making the recommendation for 2018/19

Appendix H

of implementing this uplift. For future years the assumption is that it will remain at 2018/19 levels.

- The budget process for 2018/19 has been based on council strategic priorities and service business plans.

6. Advice on the level of reserves

The estimated level of the General Fund Reserve at March 2017 is £2.559m. The General Reserve is set aside to smooth the impact of unexpected events and emergencies. The Council has robust monitoring and reporting in place and is key to managing any future financial risk which may arise.

An analysis of earmarked reserves held by the Council has shown that the level currently held in these reserves remains adequate to meet the commitments and forecast expenditure.

7. Key Budget Risks

There are a number of risks which have been highlighted within the main report and with Appendix B, the majority of these are associated with cost reductions and efficiency savings by departments. Robust monitoring and reporting will help to mitigate any risk of failing to deliver these financial targets.