

**Blaby District Council
Scrutiny Commission**

Date of Meeting 9 January 2019
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 and overview of the budget proposals for 2019/20 Financial year. This includes an update on significant points arising from the Settlement of December 2018 and recent Consultation papers released by the Ministry of Housing, Communities & Local Government (MHCLG).

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 following:

- Impact of the Settlement Dec 2018
- Total Budget Requirement for the Authority 2019/20 financial year
- Funding the Budget
- Budget Gap
- Options open to the Council to meet the funding gap and future funding gaps
- General Budget Assumptions
- Draft revised Medium Term Financial Strategy (MTFS) financial summary
- Future Business Rates and Fairer Funding position

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 prior 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 becoming 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 for each portfolio are included within the appendices, as are the overall budget costs and funding levels.

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 had been built in to the MTFS.	The Council has taken a prudent approach in forecasting its core grant funding for the MTFS and included figures provided in the 4 year settlement for 2019/20. General fund balances remain healthy and can be used in the short to medium term.
Withdrawal of external funding.	External funding has only been built into the base budget where it has been confirmed by external partners. Officers continue to work with partners to minimise the impact of funding cuts on services.
Change to the Business Rate Retention Scheme and the Fair Funding Review.	Changes to Business Rate Retention and funding levels are expected to be implemented in 20/21. Recent technical consultation papers have been released and from these officers will attempt to understand how the changes may impact Blaby. Officers will respond to the consultation papers and if required, lobby the MHCLG should there be concern regarding the changes.

7. Other options considered

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

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 – 2019/20 Budget Overview 9th January (to follow)
- 9.2 Appendix B – Schedule of Reserves (to follow)
- 9.3 Appendix C – Schedule of External Funding (to follow)
- 9.4 Appendix D – Establishment Trend information (to follow)
- 9.5 Appendix E – Draft MTFFS Financial Summary (to follow)
- 9.6 Appendix F – Leaders Portfolio Budget (to follow)
- 9.7 Appendix G – Finance, Efficiency & Assets Portfolio Budget (to follow)
- 9.8 Appendix H – Community Services Portfolio Budget (to follow)
- 9.9 Appendix I – Corporate & Neighbourhood Services Portfolio Budget (to follow)
- 9.10 Appendix J – Health Improvement, Leisure & Regulatory Services Portfolio Budget (to follow)
- 9.11 Appendix K – Planning, Housing Strategy, Economic & Community Development Portfolio Budget (to follow)

10. Background paper(s)

None

11. Report author's contact details

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