

# FAREHAM

## BOROUGH COUNCIL

2018/19  
Decision No.  
2078

### Record of Decision by Executive

Monday, 7 January 2019

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Financial Forecasts and Budget</b>
<b>Report of:</b>	Director of Finance & Resources
<b>Corporate Priority:</b>	Dynamic, prudent and progressive Council

#### **Purpose:**

This report provides an update on the Council's 5-year financial forecasts and makes recommendations regarding the General Fund capital programme, revised revenue budget for 2018/19, fees and charges and the revenue budget for 2019/20. It also proposes an invest to save approach to bridging the forecasted funding gap.

This report gives the Executive the opportunity to consider the Council's 5-year financial forecasts as set out in the Medium-Term Finance Strategy (MTFS), capital programme, revised service budget for 2018/19, fees and charges for 2019/20 and proposed service budgets for 2019/20.

#### Revised General Fund Revenue Budget 2018/19

The revised general fund revenue budget for 2018/19 amounts to £11,172,900 for service budgets with other budgets totalling -£2,732,400 giving an overall position of £8,440,500 which shows no change from the base budget for 2018/19.

#### General Fund Revenue Budget 2019/20

The proposed general fund budget for 2019/20 totals £10,888,600 for service budgets along with -£2,222,200 for other budgets giving an overall position of £8,666,400 which is an increase of £225,900 against the original budget for 2018/19.

#### Capital Programme and Resources 2018/19 to 2022/23

The revised capital programme amounts to £39,229,000, and there are capital resources totalling £41,483,000 over the programme period. Whilst a surplus of capital resources exists, there are likely to be emerging spending requirements that require new resources to be accumulated now so that the Council can meet its future commitments.

#### 5-Year Financial Forecasts

The 5-Year financial forecasts for 2018/19 to 2022/23 is predicting a funding shortfall by

2020/21. An Opportunities Plan has been drawn up to address the shortfall and build in some capacity for future pressures and uncertainties. However, the Plan requires investment of approximately £600,000 over a 2-year period to resource the projects identified to deliver the required savings.

**Options Considered:**

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

A tabled item was presented in respect of this item to clarify the Council Tax discount information contained in paragraph 11 of the report.

Tabled items were also presented in respect of Appendices A, B and E to the report to correct the allocation of expenditure under the Executive Portfolio headings.

As recommendation.

**Decision:**

RESOLVED that the Executive:

**Financial Forecasts (MTFS)**

- (a) approves the Medium-Term Finance Strategy for the period 2018/19 to 2022/23, as set out at Appendix E to the report; including the adoption of the Opportunities Plan and the allocation of funding of £600,000 during 2019/20 and 2020/21, required to deliver the Plan.
- (b) approves the change to the Council's Council Tax Exemption Policy, as part of the Opportunities Plan, as outlined in paragraph 12.
- (c) agrees to submit the updated Pay Policy, annexed to the Medium-Term Finance Strategy at Annex C, to Council for approval;

**Revenue Budgets**

- (d) approves the revised 2018/19 general fund revenue budget, amounting to £8,440,500, as set out in Appendix A and B to the report;
- (e) approves the proposed fees and charges for 2019/20, as set out in Appendix D to the report;
- (f) approves the base 2019/20 general fund revenue budget amounting to £8,666,400, as set out in Appendix A and B to the report;

**Capital Programme**

- (g) approves the capital programme for the period 2018/19 to 2022/23, amounting to £39,229,000 as set out at Appendix C to the report;

**Contract Variation**

(h) notes the variations that have been made to the contract sum awarded to LDA Design Consulting Limited, for the Placemaking Strategy work for Welborne Garden Village, as outlined in paragraphs 23-26.

**Reason:**

The proposed budgets and capital programme will continue to support delivery of the Council's services and corporate priorities whilst taking account of the continuing financial pressures.

The Medium-Term Finance Strategy forecasts a funding shortfall by 2020/21. An Opportunities Plan has been developed to address this and build in capacity for future pressures and uncertainties.

**Confirmed as a true record:**

Councillor SDT Woodward (Executive Leader)  
Monday, 7 January 2019