

**FINANCIAL FORECAST**  
**(Report by the Overview and Scrutiny Panel (Economic Well-Being))**

**1. INTRODUCTION**

- 1.1 The Overview and Scrutiny Panel for Economic Well-Being has examined the financial forecast contained in the report by the Head of Financial Services at its meeting on 10th September 2009. This report contains a summary of the Panels' discussions.

**2. THE FINANCIAL FORECAST**

- 2.1 The Panel has been acquainted with the present position in relation to the Council's financial forecast for the period to 2018/19. Members have been informed of potential variations in a number of sources of income and other factors that could affect the Council's financial position.
- 2.2 The Panel has acknowledged the uncertainty created by current economic and political conditions and Members have discussed the potential effects for the Council of a range of changes in these respects. The figures produced are consistent with the trends reported for some time. A deficit is forecast for a number of years and the identification of significant additional spending adjustments will be required. The Panel will wish to comment on proposals for adjustments when they emerge at the end of the year.
- 2.3 The Panel has discussed the projections for inflation, employer contributions to pensions, council tax levels and capping, concessionary fares and Disabled Facilities Grants. Specific reference has been made to the potential effect of the guided bus on the Council's car parking revenue. With regard to the grant the Council receives from the government, after the final year of the current settlement, there is uncertainty attributable to the total amount of money available and to whom it will be allocated. In that context the Panel has endorsed the decision to prepare future projections on the assumption that there will be a small increase in cash terms, though it needs to be pointed out that this represents a reduction in real terms. This is in line with the expectations of other councils.
- 2.4 The Panel has discussed the potential effects for the Council of various trends in the economy. Members have been informed that the Council's position has been safeguarded as far as is possible.
- 2.5 The basis for the Council's planned future levels of reserves has been interrogated. Assurances have been received that the levels recommended in the report will be adequate for the Council's future requirements.

**3. CONCLUSION**

- 3.1 While there is a high level of uncertainty involved in making forecasts, Members have stressed the importance for the Council of undertaking this work and of monitoring changes in the factors referred to. The Cabinet is

invited to consider the Panels' comments as part of its deliberations on the report by the Head of Financial Services.

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