

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

1. INTRODUCTION

- 1.1 At its meeting held on 8th September 2011, the Overview and Scrutiny Panel (Economic Well-Being) considered the report by the Head of Financial Services on the Financial Forecast. The following paragraphs contain a summary of the Panel's discussions on the report.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has discussed the approach the Council might take to setting the Council Tax for 2012/13. Having recommended that analysis of the implications of not increasing Council Tax next year should be included in the options under consideration, it has been noted that it would require an increase of 30% for Huntingdonshire to reach the current average level of Council Tax for District Councils. It has also been pointed out that an increase of 5% would cover the lower end of the unidentified savings. Members are, therefore, of the view that all of the options for Council Tax merit serious consideration.
- 2.2 With regard to the Council's planned savings through pay and allowances, the Panel has been advised that changes to the salary scale, which are currently the subject of consultation with employees, will make savings significantly greater than those included in the budget. The changes are designed to reflect changes in the employment market, but Members have stressed the need to ensure they apply to all levels of employees to demonstrate equity and leadership in this matter.
- 2.3 On a related matter, it has been suggested that the Council should take into account whether front-line or support services are involved when planning to make savings. The Council's support services will be the subject of a study by the Panel, which will commence shortly. The view has further been expressed that the Council should examine the opportunities to make savings amongst those functions that do not appear in Annex A to the report by the Head of Financial Services. There will be a need for Overview and Scrutiny to monitor the effect of the savings on service levels to the public.
- 2.4 Owing to the level of uncertainty associated with the Financial Strategy and changes in the Council's circumstances since last year, a comment has been made that the Council should review its existing plans, adopt a flexible approach and be more rigorous in its identification and analysis of options for changes to the way services are delivered.
- 2.5 Other comments made during the Panel's deliberations include the expression of a view that as a non-statutory function the leisure service should make greater savings than those currently planned and that the Council should not assume it will get the full benefit of the New Homes Bonus as parishes will expect to have a say in how it is used.

2.6 Having concluded their discussions, the Panel has recommended the Cabinet to:

- approve the annuity basis for the calculation of Minimum Revenue Provision as outlined in Annex E to the report, and
- note the contents of this report.

3. CONCLUSION

3.1 The Cabinet is invited to consider the discussions of the Overview and Scrutiny Panel (Economic Well-Being) as part of their deliberations on this item.

Contact Officer: A Roberts, Scrutiny and Review Manager
☎ 01480 388015

Background Documents

Report and Minutes of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 8th September 2011.