

**COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (FINANCE AND PERFORMANCE) – 7th January 2016**

**UPDATE ON 2016/17 DRAFT BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

The Overview and Scrutiny Panel (Finance and Performance) was informed of the proposed Budget 2016/17 and Medium Term Financial Strategy (MTFS) covering the period 2017/18 until 2020/21. The Panel also noted the Zero Based Budgeting (ZBB) sessions, the possible reduction in Government grants, a proposed four-year settlement offer for Local Authorities from the Government and the Council Tax Base.

Concern was expressed that the MTFS shows that the General Fund would record a deficit by the end of 2020/21. Members indicated that they would like to avoid this scenario and would support further ZBB session to assist in achieving a balanced budget. The Panel accepted the aspiration to freeze Council Tax however if Council Tax needed to rise then Members would be amenable to this.

The Panel discussed the possible introduction of the Bus Departure Levy. Members accept that money would have to be spent on effectively monitoring bus departures from the Bus stations and that a levy could have the effect of bus companies reducing the service they provide. Despite this Members were keen that the option of the bus departure levy should be explored.

The Panel was positive regarding the four-year settlement however have decided to withhold comments until Members have seen the details. Members have noted the Council Tax Base calculations for 2016/17. After discussing the budget proposals the Panel agreed that the Cabinet should adopt Option 1 for dealing with the potential deficit in reserves.