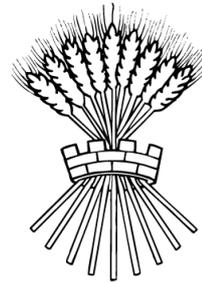


**RYEDALE  
DISTRICT  
COUNCIL**



# **FINANCIAL STRATEGY**

**2019 - 2022**

# **REVENUE BUDGET**

**2019 – 2020**

**EXECUTIVE SUMMARY FOR FULL COUNCIL  
21 February 2019**

RYEDALE DISTRICT COUNCIL

To:

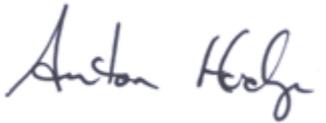
Members of Ryedale District Council

Meeting:

Thursday, 21 February 2019

**BUDGET REVIEW 2018-19**

The Financial Strategy 2019-2022, Revenue Budget for 2019-20, the Capital Programme and Special Expenses recommended for approval by the Policy and Resources Committee, are submitted for approval by the Council. The appropriate draft resolution has been circulated to all Members of the Council.

A handwritten signature in blue ink that reads "Anton Hodge". The signature is written in a cursive style and is contained within a thin black rectangular border.

A Hodge, Chief Finance Officer (s151)

## EXECUTIVE SUMMARY

The Council's current Financial Strategy was approved in July 2017 and this document is the result of work undertaken over the past year to refresh the details within that. The core theme of the approved Strategy has not changed:

*Financial Management is essential in achieving good corporate governance and underpins service quality, improvement and accountability. It supports effective performance and the achievement of the organisations aims. Financial Planning is integral to an organisations strategic planning process.*

The focus of the Financial Strategy is on long term planning and decision making for the future. The original Strategy set an objective of not concentrating simply on the forthcoming financial year and noted that "there should not be an over concentration on just one year's budget." While the principle of this remains, this refreshed Strategy seeks to take account of the work undertaken in recent months to ensure that the process is transparent – to members and the public – and that we take account of changing trends in budget pressures and efficiencies

The Financial Strategy seeks to achieve the following objectives: -

1. Budgets are Prudent and Sustainable in the Long Term,
2. Financial plans recognise corporate Priorities and Objectives,
3. Significant risks are identified, and mitigation factors identified,
4. The Capital Programme is planned over a 4 year period with no further borrowing planned
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept within the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and use of resources.

The Summary Position is as follows:

- A revenue budget for 2018/19 of **£8,197k**.
- A 2.6% increase in Council tax for the Ryedale District Council Tax, increasing the Band D charge from **£190.82 to £195.82** (note the total Council Tax, including County Council, Fire, Police and Special Levy is covered within the separate Council Tax setting report)
- Savings / additional income of **£582,000**
- Application of **£188,000** New Home Bonus to the Capital Programme
- Unused New Homes Bonus of **£673,000**.
- A capital programme totalling **£8,509,000** over the period 2018-2022
- Special Expenses for Street Lighting of **£49,870**.

### **Section 25 Report (Report of the Chief Finance Officer (s151))**

In setting the Revenue budget for 2019/2020 **I consider that the proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.**

The total saving proposals are £528k. This level is significant in relation to the Authority's overall budget and therefore inherently carries a risk. The achievement of these savings will be crucial in managing within the budget. The risk of this has been mitigated in part by thoroughly reviewing all savings proposals for their robustness and effective budget monitoring procedures are in place. There inevitably remains a risk in delivering on this level of savings and there is always potential for delay in achieving savings or failure to achieve income targets. Where this occurs, compensating savings will need to be identified.

The overall level of reserves is considered in detail within the Financial Strategy. I consider that the overall level of reserves is adequate.

The Capital Plan and Capital Programme have been regularly reviewed during the year. The unapplied capital resources will need to be considered in knowledge of the ongoing expectations of low interest rates and limited capital receipts generated by the Authority. It is important that proper project management disciplines are followed for schemes within the programme together with regular monitoring to minimise the potential for unexpected overspends.

Within the current economic climate it will be important that close budget monitoring of services which generate income and partnerships takes place.