



Corporate Resources Overview & Scrutiny Committee

Overview of First
Phase of the Budget
Process

December 2015





Purpose of Today's Meeting

- To receive feedback from the suite of Overview and Scrutiny Committees on the first phase proposals for the 2016/17 Council Fund Revenue Budget for services presented throughout December, and to provide commentary to the Cabinet
- To note the implications of the Settlement
- To advise on the budget setting process



General Points on Process

- Definitions of mandatory and non-mandatory services a useful guide
- Risks to delayed implementation of proposals to be carefully assessed
- Fact sheets to be available for each specific budget proposal in mid-January with a full description, efficiency calculation, efficiency as a % of the service budget, risk assessment and background (where based on an earlier year decision)



Generic Questions





Calculating the RSG Change

Aggregate External Finance (AEF) and Revenue Support Grant (RSG)

» AEF and Outcome Agreement Grant assumed in our MTFS forecast:
£186.419m + £1.479m = £187.898m

» AEF 2016/17 Provisional Settlement including the transfer in of the Outcome Agreement Grant = £184.743m

» The difference between the two above is £3.155m

» The shortfall assumed in the MTFS forecast was £6.525m

» The net benefit to the MTFS forecast is therefore £3.370m

Council Tax Base

» AEF figures have been adjusted to take into the revised Council Tax base. The local Council Tax base will rise by £0.400m



Reassessing the Council case

- 1. Capping RSG reduction to no greater than -2.5%:** exceeded in the Provisional Settlement at a Welsh average of -1.4% and -1.5% for Flintshire
- 2. Funding for Social Services:** achieved in part through 1 above (social care pressures are given some recognition in the Settlement calculations) and achieved in part through the announcement of additional joint funds with the NHS (detail to follow)
- 3. CTRS full funding:** no change. The case for the outstanding review to be pressed for 2017/18
- 4. Removal of funding caps:** discussions ongoing



Use of Consultants

- The Council's transformation programmes at corporate and service levels principally designed and implemented within our resources
- Consultants are employed sparingly. Two types as 'invest to save' work are fee based or 'risk and reward'. Live consultancies in Streetscene and Transportation (risk and reward), Social Services (fee based) and Corporate Services (fee based)
- Streetscene and Transportation: commercial expertise and the additional capacity to drive through efficiencies
- Social Services: the second largest Council spender with a need to test out whether our existing programmes could go further
- Corporate Services: challenge to reduce support costs to a workable minimum by testing out whether our existing programmes could go beyond their 30% 3 year savings targets



Specific Portfolio Feedback

Corporate Financing Proposals





Environment

Planning and Environment

Increase in Planning Application Fee income

An increase of **£101k** on the 2015/16 existing Planning Fee Income Budget of £ 919k. Made up of an Increase in volume of applications as economy continues to recover £51k, and additional charging (e.g. discharge of conditions) of £50k.

Streetscene and Transportation

No specific feedback to report on the budget proposals as presented.



Organisational Change

Deeside Library & Community Asset Transfers

Proposal	Target Date Range	Target Efficiency Range
Deeside Library	1 st March 2016	£30-60,000
Connahs Quay S.P	April-June 2016	£196-261,000
Holywell L.C.	July-December 2016	£81-242,000
Mynydd Isa Library	April-June 2016	£26-34,000
Saltney Library	April-June 2016	£31-41,000
Hope Library	April-June 2016	£10-13,000
Holywell Library Building	July-December 2016	£5-16,000
Broughton Library Building	April-June 2016	£9-12,000
	Total Efficiency Range	£388-679,000
	Total Proposed Efficiency	£574,000



Social Care and Health

- No specific feedback to report on the budget proposals as presented



Education and Youth

- Level of funding available to schools through the funding formula is a continuing concern noting that this is a national funding challenge and not one which can be resolved locally
- Concern over the compound impact of specific grants which is beyond the control of the Council
- The sensitivities around the on-going review of Inclusion Services will be worked through in more detail at the coming workshop



Community and Enterprise

- Concern that the Welfare Rights Service maintains sufficient capacity to continue to advise those in need, particularly during a period of welfare reform



Closing Information

Budget Timelines and Next Stage





Budget Closure Strategy

- Ongoing work on assessing the remaining budget gap
- Need to take into account recalculation of new or changing costs pressures
- Further work advanced on options for corporate financing, workforce costs, income and local taxation, education funding and service plans
- Cabinet staged report on budget strategy and budget closure options due in January



National Budget Timetable

- *Chancellor's Spending Review 25 November*
- *Welsh Government Draft Budget 8 December*
- *Provisional LGF Settlement 9 December*
- **Welsh Government Final budget on 8 March**
- **Final LGF Settlement on 9 March**





Timescale for Phasing the Budget

- » Complete the current Overview and Scrutiny round of meetings on the first two parts of the proposed budget
- » Cabinet reappraisal report in January with further options to close the remaining budget 'gap'
- » Further Cabinet and Overview and Scrutiny Committee rounds leading to a final Council decision on the total budget, and Council Tax level, by 10th March
- » Council dates provisionally in the diary for 26 January, 16 February and 10 March