

## FLINTSHIRE COUNTY COUNCIL

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| <b>Date of Meeting</b> | Tuesday, 15 <sup>th</sup> November 2016       |
| <b>Report Subject</b>  | Council Fund Budget 2017/18 - Stages 1 and 2  |
| <b>Report Author</b>   | Chief Executive and Corporate Finance Manager |

### **EXECUTIVE SUMMARY**

The annual budget for 2017/18 is being developed in two stages:

- Stage One: considered by Cabinet in September and covers Part 1 of our strategy – service reform based on the service portfolio plans: and
- Stage Two: Parts 2 and 3 of our strategy - corporate financial stewardship and working with Welsh Government.

The attached report was considered by Cabinet earlier today and any specific issues raised will be provided verbally at the meeting.

Council are requested to approve the Stage 1 budget proposals as set out in the Cabinet report and to endorse the strategy for Stage 2 of the budget for referral to Corporate Resources Overview and Scrutiny Committee prior to presentation to Council on 6 December 2016.

### **RECOMMENDATIONS**

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| 1 | To approve the Stage 1 budget proposals for 2017/18.   |
| 2 | To endorse the strategy for Stage 2 of the budget for referral to Corporate Resources Overview and Scrutiny prior to presentation to Council on 6 December 2016. |

## **REPORT DETAILS**

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| <b>1.00</b> | <b>EXPLAINING THE PROGRESS MADE ON THE 2017/18 BUDGET</b>  |
| 1.01        | <p>The Council has recently refreshed its three year Medium Term Financial Strategy (MTFS) which now covers the period 2016/17 – 2018/19. In April this year the Cabinet re-adopted the three part approach for financial planning set out within the MTFS.</p> <ul style="list-style-type: none"><li>• Service Reform (Part 1)</li><li>• Corporate Financial Stewardship (Part 2)</li><li>• Working with Welsh Government (Part 3)</li></ul> <p>The annual budget for 2017/18 is being developed in two stages:</p> <ul style="list-style-type: none"><li>• Stage One: considered by Cabinet in September and covers Part 1 of our strategy – service reform based on the service portfolio plans: and</li><li>• Stage Two: Parts 2 and 3 of our strategy - corporate financial stewardship and working with Welsh Government.</li></ul> <p>The attached report was considered by Cabinet earlier today and any specific issues raised will be provided verbally at the meeting.</p> <p>The report sets out the progress made to date on each part of the budget strategy and requests Council to approve the Stage 1 budget proposals and to endorse the strategy for Stage 2 of the budget for referral to Corporate Resources Overview and Scrutiny Committee prior to presentation to Council on 6 December 2016.</p> |
| <b>2.00</b> | <b>RESOURCE IMPLICATIONS</b>   |
| 2.01        | As set out in the Cabinet report.  |
| <b>3.00</b> | <b>CONSULTATIONS REQUIRED / CARRIED OUT</b>  |
| 3.01        | Consultation with Group Leaders, Overview and Scrutiny Committees and external partners have been held to date in the development of the business plans, budget proposals and resilience assessments.  |
| <b>4.00</b> | <b>RISK MANAGEMENT</b>   |
| 4.01        | All parts of the financial forecast, and all budget solutions, are risk assessed stage by stage. An overall risk assessment and risk management statement will be produced both for the revised MTFS and the draft annual budget for 2017/18. Services have already been assessed against efficiency, value for money and resilience with the assessment being reported to the Overview and Scrutiny Committees throughout July 2016.  |

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| <b>5.00</b> | <b>APPENDICES</b>   |
| 5.01        | Appendix 1: Cabinet Report 15 November 2016 – Council Fund Budget 2017/18 – Stage 1 and 2 |

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| <b>6.00</b> | <b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>  |
| 6.01        | <p><b>Contact Officer:</b> Colin Everett (Chief Executive) and Gary Ferguson (Corporate Finance Manager)</p> <p><b>Telephone:</b> 01352 702121 and (01352) 702271</p> <p><b>E-mail:</b> <a href="mailto:Chief.executive@flintshire.gov.uk">Chief.executive@flintshire.gov.uk</a> <a href="mailto:gary.ferguson@flintshire.gov.uk">gary.ferguson@flintshire.gov.uk</a></p> |

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| <b>7.00</b> | <b>GLOSSARY OF TERMS</b>   |
| 7.01        | <p><b>Medium Term Financial Strategy (MTFS):</b> a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p><b>Revenue Support Grant:</b> the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p><b>Specific Grants:</b> An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p><b>Central Loan and Investment Account (CLIA):</b> brings together the revenue costs of all Council's borrowing and investment activity. Contains; interest on debt, MRP (see below), Treasury Management costs (staff, advisors, software etc., charges for debt rescheduling undertaken in earlier years and income generated from investments. Also referred to as Capital Financing Charges.</p> <p><b>Minimum Revenue Provision (MRP):</b> method for charging (debt-funded) capital expenditure to the revenue account in local authority accounts. Full Council sets an MRP policy annually selecting from a range of options contained with Welsh Regulations set by Welsh Government.</p> <p><b>Welsh Local Government Association:</b> the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.</p> |