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To: Cllr Clive Carver (Chairman)

Councillors: Marion Bateman, Peter Curtis, Andy Dunbobbin, Robin Guest, Ron Hampson, Richard Jones, Brian Lloyd, Richard Lloyd, Vicky Perfect, David Roney, Ian Smith, Nigel Steele-Mortimer, Carolyn Thomas and Arnold Woolley

14 December 2015

Dear Councillor

You are invited to attend a meeting of the Corporate Resources Overview & Scrutiny Committee which will be held at 10.00 am on Friday, 18th December, 2015 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

A G E N D A

1 APOLOGIES

Purpose: To receive any apologies.

2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Purpose: To receive any Declarations and advise Members accordingly.

3 COUNCIL FUND REVENUE BUDGET 2016/17 (Pages 3 - 8)

Report of Chief Executive and Corporate Finance Manager. The portfolio of the Leader of the Council and Cabinet Member for Finance and Cabinet Member for Corporate Management.

Purpose: To provide information on the budget process and proposals for 2016/17.

Yours faithfully

Peter Evans
Democracy & Governance Manager



CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Friday, 18 th December 2015
Report Subject	Council Fund Revenue Budget 2016/2017
Cabinet Member	Leader of the Council; and Cabinet Member for Corporate Management
Report Author	Chief Executive and Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals.

The proposals in relation to corporate financial stewardship which is the second element of the funding strategy that will contribute to the overall budget gap will also be presented to this committee as part of its budget overview role.

The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.

The report also summarises the budget development and consultation process.

RECOMMENDATIONS

1	To review and comment on the initial budget proposals within the Committee's portfolio including the corporate financing proposals.
2	To note the timetable and further consultation stage to follow.

REPORT DETAILS

1.00	BUDGET CONSULTATION PROCESS FOR 2016/17
1.01	<p>The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals. The proposals have been developed by each Chief Officer as part of the three year business planning process for the period 2015/16 to 2017/18. The proposals are presented in a standard form, across all Committees, with a risk rating and commentary.</p>
1.02	<p>The initial proposals have been developed to contribute to part one of the three part solution to the annual 'budget gap' within the Medium Term Financial Strategy. The Strategy is published and is within the public domain.</p>
1.03	<p>The proposals in relation to corporate financial stewardship which is the second element of the funding strategy that will contribute to the overall budget gap will also be presented to this committee as part of its budget overview role.</p>
1.04	<p>Members are also asked to consider an overview of the Capital Programme 2016/17 – 2019/20 in conjunction with a draft Capital Strategy and Asset Management Plan and papers will be circulated in advance of the meeting.</p>
1.05	<p>The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.</p>
1.06	<p>The budget setting process for 2016/17 is particularly complex given the lateness of the expected Final Local Government Settlement from Welsh Government and the scale of the annual budget reductions the Council has to manage. Members have been briefed and consulted in several phases of workshops from July to November. Group Leaders and Overview and Scrutiny Chairs have had specific briefing meetings.</p>
1.07	<p>The Council has organised a major public consultation – Your Moment-with area public meetings being held in seven locations between mid November and early December.</p>
1.08	<p>A series of formal budget consultation meetings are being held:</p> <p>Monday 7 December 10.00 Environment Overview & Scrutiny Committee Tuesday 8 December 10.00 Organisational Change Overview & Scrutiny Committee Friday 11 December 10.00 Social & Healthcare Overview & Scrutiny Committee</p>

	<p>Tuesday 15 December 14.00 Education & Youth Overview & Scrutiny Committee</p> <p>Thursday 17 December 14.00 Community & Enterprise overview & Scrutiny Committee</p> <p>Friday 18 December 10.00 Corporate Resources Overview & Scrutiny Committee (for Corporate functions and central finance)</p> <p>Friday, 18 December 14.00 Corporate Resources Overview & Scrutiny Committee (All Members are invited to attend to conclude this stage of the consultation process.)</p>
1.09	A further round of Overview and Scrutiny Committees is to follow from 14-29 January once the Provisional Local Government Settlement has been announced.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in the Medium Term Financial Strategy.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	This report summarises the consultation process.

4.00	RISK MANAGEMENT
4.01	As set out in the Medium Term Financial Strategy.

5.00	APPENDICES
5.01	Business Plan Proposals 2016/17 for Corporate Services.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Medium Term Financial Strategy Parts 1 and 2 http://www.flintshire.gov.uk/en/Resident/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy.aspx</p> <p>Medium Term Financial Strategy Executive Summary http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Summary-Medium-Term-Financial-Strategy.pdf</p> <p>Flintshire County Council 24th October 2015 Report http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=143&MId=3551&Ver=4&LLL=undefined</p> <p>Cabinet 15th September 2015 Report http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=391&MId=3537&Ver=4&LLL=undefined</p>

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7.00 GLOSSARY OF TERMS	
7.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>
7.02	<p>Local Government Finance Settlement: This sets out what the Welsh Government is to allocate to each local authority in Wales. It is issued in two stages. This year, the Provisional Settlement is expected on 9th December with the final Local Government Finance Settlement being announced on 1st March 2016.</p>
7.03	<p>Medium Term Financial Strategy (MTFS): 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>
7.04	<p>Council Fund: the majority of the Council's revenue expenditure covering all services except Council Housing for which there is a stand-alone and ring-fenced account called the Housing Revenue Account (HRA).</p>
7.05	<p>Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget, and to individual councils one by one. The amount of Revenue Support Grant (see below) each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example, of population size and demographics and levels of social deprivation.</p>

Summary of Business Planning Proposals

Category	1	2	3	Total
Portfolio	2016/17 £m	2016/17 £m	2016/17 £m	2016/17 £m
Corporate Services	0.235	0.320	0.300	0.855
Total	<u>0.235</u>	<u>0.320</u>	<u>0.300</u>	<u>0.855</u>

Category
1. Fully Costed and Safe - Very detailed costings/modelling undertaken and the the accuracy can be relied upon not to change significantly
2. Reasonably costed will need refining - The level of detail behind the costing/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes e.g. markets
3. High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.

These Business Plan proposals for 2016/17 build on the work shared with Group Leaders and Chairs of Scrutiny committees and more recently with all Members at the Member workshops.

The tables on the following pages have headings which are familiar.

A new heading refers to the 'Mandatory' duty to provide particular services. It should be noted that all services/functions provided by the Council are provided under many statutory duties. Within these statutory duties a 'mandatory' service or function 'must' be provided.

All 'mandatory' services/functions have been RAG assessed to determine if any 'duty' would be compromised should the business plan proposal be adopted. These are all noted with an 'M' plus an explanation as to the RAG assessment. All 'non-mandatory' services/functions are noted as NM.

Business Planning Efficiencies for Corporate Services

No	Specific 2016/17 Proposals	Type	16-17 PROPOSALS £m	16-17 MANDATORY duties	16-17 RISK status of ACCEPTABILITY and DELIVERABILITY	Categorisation of financial robustness	Explanation
PEOPLE & RESOURCES - FINANCE							
1	Implementation of Collaborative Planning Software to finance to improve and automate our processes thus enabling workforce efficiencies	Service Efficiency		M		2	The introduction of this new software will enable budget monitoring to be undertaken more efficiently, with the minimum of manual intervention which will lead to workforce efficiencies and reductions.
2	Phased roll out of new finance model.	Structural Review		M			The implementation of a new Finance Model and a review of structure and business processes to achieve efficiencies and to operate as a modern Finance function.
Totals			0.135				
PEOPLE & RESOURCES - HUMAN RESOURCES & ORGANISATIONAL DESIGN							
1	Effective people management skills to increase levels of Managers' self sufficiency	Service Efficiency		NM		2	Demand management exercise to upskill managers to become increasingly self sufficient in managing their people /teams.
2	Redefine clear roles and responsibilities for Human Resources (HR) / managers	Service Efficiency		NM			Complements the exercise above in that the roles and responsibilities of HR and managers need to be redefined for the future and will reduce reliance on HR resources.
3	Review of Human Resources & Organisational Design operating model and job roles	Structural Review		NM			To review the operating model and structure for Human Resources & Organisational Design to better meet the organisation's future requirements.
4	Further roll-out (50%) of Flexible & Agile Working arrangements (phase 1)	Service Efficiency		NM			Promotion and implementation of flexible and agile to reduce accommodation space.
5	Implementation of iTrent Self Service to Schools	Service Efficiency		NM		2	Reduction of reliance on corporate and Schools administrative processes thereby creating efficiencies in workforce.
Totals			0.115				
GOVERNANCE - LEGAL							
1	Increase income	Income Generation	0.015	M		1	To increase the fees recharged to developers etc entering legal agreements with the council in line with other councils in Wales (the income earned as a % of the service budget is approximately half that of other councils).
Totals			0.015				
GOVERNANCE - ICT							
1	Reduction in management, staff and non pay costs	Structural Review	0.300	NM		3	In order to mitigate the high risk of collaboration with Wrexham, the service will need to restructure and significantly review levels and types of service available.
2 (new)	Education ICT	Service Efficiency	0.220	NM		1	Remodelling of service to create efficiencies.
Totals			0.520				
CHIEF EXECUTIVE'S							
1 (new)	Voluntary Sector Grants review	Service Efficiency	0.070	NM		2	Revised core funding agreements with voluntary sector partners to reflect new models of delivery and revised funding arrangements.
Totals			0.070				

TOTAL CORPORATE SERVICES 0.855

CORPORATE SERVICES	
Total value of Business Plan proposals	2.483

CATEGORISATION KEY	Total 16-17
1 = Fully Costed and Safe - Very detailed costings/modelling undertaken and the accuracy can be relied upon not to change significantly	0.235
2= Reasonably costed will need refining - The level of detail behind the costings/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes in circumstances e.g. market conditions.	0.320
3= High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.	0.300

0.855