

CABINET

Date of Meeting	Tuesday, 6 December 2016
Report Subject	2017/18 Council Fund Budget – Stage 2
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Chief Executive and Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The annual Council Fund budget for 2017/18 has been developed in two stages:

- Stage One: which covers Part 1 of our Medium Term Financial Strategy (MTFS) – service reform based on the service portfolio plans; and
- Stage Two: which covers Parts 2 and 3 of our Medium Term Financial Strategy (MTFS) – corporate financial stewardship and working with Welsh Government.

The Stage One proposals were approved by Council in November.

The Stage Two proposals on corporate financial stewardship were to be considered by Corporate Resources Overview and Scrutiny Committee on 30 November 2016. Written feedback will be provided from the Overview and Scrutiny Committee prior to this meeting.

RECOMMENDATIONS

1	That Cabinet consider the feedback from the Special Corporate Resources Overview and Scrutiny meeting held on 30 November.
2	That Cabinet recommend to Council a final set of detailed proposals for Stage Two of the budget.

REPORT DETAILS

1.00	EXPLAINING THE PROGRESS MADE ON THE 2017/18 BUDGET
1.01	<p>The annual council fund budget for 2017/18 is being developed in two stages:</p> <ul style="list-style-type: none">• Stage One: which covers Part 1 of our Medium Term Financial Strategy (MTFS) – service reform based on the service portfolio plans; and• Stage Two: which covers Parts 2 and 3 of our Medium Term Financial Strategy (MTFS) – corporate financial stewardship and working with Welsh Government. <p>Stage One of the budget was concluded at the Council meeting in November.</p> <p>Cabinet and Council gave first consideration to the Stage Two developing proposals in November. The proposals were referred to the Corporate Resources Overview and Scrutiny Committee for detailed review. The feedback of the Committee which met on 30th November 2016 will be provided for the Cabinet meeting. The detailed Stage Two report presented to the Overview and Scrutiny Committee is appended.</p>
2.00	RESOURCE IMPLICATIONS
2.01	<p>As set out in the report to Corporate Resource Overview and Scrutiny Committee which is appended to this report.</p>
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Consultation with Group Leaders, Overview and Scrutiny Committees, senior officers and service teams, and external partners were held in the development of the business plans, budget proposals and financial resilience assessments. Specialist external advisors and our external auditors were specifically consulted on the review of Minimum Revenue Provision (MRP). Their advice was reported to the Overview and Scrutiny Committee. Council formally approved Stage One of the budget, and was given an overview of the developing Stage Two proposals in November.</p>
4.00	RISK MANAGEMENT
4.01	<p>The budget proposals have been risk assessed stage by stage. Statements of risk and mitigation are included in the respective reports</p>

	over the process of budget development and approval. Specific risk statements on each of the Stage Two proposals are included within the appended report.
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5.00	APPENDICES
5.01	Report to Corporate Resource Overview and Scrutiny Committee on 30 th November.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Colin Everett, Chief Executive and Gary Ferguson, Corporate Finance Manager</p> <p>Telephone: 01352 702121</p> <p>E-mail: Chief.executive@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<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> <p>Revenue Support Grant: 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>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Central Loan and Investment Account (CLIA): 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>Minimum Revenue Provision (MRP): 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>Supported Borrowing: funding is provided by Welsh Government through the Revenue Support Grants to cover the revenue debt financing costs of</p>

interest and provision for debt repayment.

Council Tax Premium: The introduction of the Housing (Wales) Act 2014 now gives local authorities in Wales the discretion to charge up to a 100% council tax premium on long term empty properties and/or second homes/holiday homes from April 2017 (in addition to the standard level of Council Tax paid). For the purpose of charging the Premium, long term empty properties are defined as those which are both unoccupied and unfurnished for a continuous period of at least one year. Second homes are defined as properties which are not a person's sole or main residence and substantially furnished.

Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.