

Cabinet 17 January 2017 - Agenda Item 8

Budget and Policy Framework Update 2017 to 2021- General Fund Revenue Budget and Capital Programme

Recommendations of Councillor Whitehead:

- 1 That the 2016/17 Revised Budget be referred on to Budget Council for approval, with the net overspending of £39K being met by reducing the in-year contribution to Balances from £56K to £17K.
- 2 That Council be recommended to approve a City Council tax increase of £5 for 2017/18, together with a year on year target of £5 for future years, subject to local referendum thresholds.
- 3 That Cabinet approves its initial budget proposals as set out in the following Appendices:

Appendix 1: Savings and growth for implementation following approval at Budget Council.

Appendix 2: Savings and growth options to be developed and considered during 2017/18, to inform corporate planning, prioritisation and budget setting for 2018 to 2022.
- 4 That the above proposals and the resulting Revenue Budget position and Capital Programme for 2017/18 onwards, as set out at ***Appendices 3 and 4*** respectively, be referred on to Council for initial consideration as well as being presented for scrutiny at the open meeting of Budget and Performance Panel, in order that feedback can be provided to Cabinet at its February meeting.
- 5 That drawing on the above, it be noted that:
 - currently the revenue budget proposals for 2017/18 are balanced, allowing for a net contribution to earmarked reserves in next year, but some key figures (such as the provisional Settlement) are still subject to change;
 - there is still a need to make estimated savings of £414K in 2018/19, rising to £2.117M by 2020/21,
 - the planned local government finance reforms scheduled for 2020 create huge uncertainties, and it is essential that the Council develops its understanding and monitors the potential implications in order that it can respond positively and appropriately, as Government's plans become clearer.
- 6 That at its February meeting Cabinet considers the use of available Reserves and Balances in support of finalising its Budget and Medium Term Financial Strategy (MTFS) proposals to 2021, having regard to the advice of the section 151 Officer.

Notes to the Savings and Growth Proposals at Appendix 1

- a. In line with the approved budget strategy, Cabinet is taking a two-stage approach to budget development, to help achieve financial sustainability over the medium term. In doing so it has focused on :
 - putting forward readily implementable efficiency savings and income generation options for 2017/18;
 - keeping growth to a minimum, linked to covering statute-backed needs; and
 - identifying other potential savings and growth options to feed into a much more fundamental review of the Council's services, priorities and resource allocation to be commenced in April 2017, to inform corporate planning and budget setting for 2018 to 2022.
- b. Ahead of next year's review, Cabinet considers that there is an urgent need to help progress the development, co-ordination, promotion and delivery of future Economic Strategy, and this should take priority now. Accordingly, at its February meeting, Cabinet will allocate at least £500K of earmarked reserves specifically for this purpose, with the use of such a reserve being the subject of a report to Cabinet early in the new financial year. This is provided for as growth within Cabinet's proposals.
- c. In terms of other growth, reasonable assumptions have been made that some budget proposals will be cost neutral, although for the pilot to help tackle Anti-Social Behaviour (ASB), this is dependent upon the success of an external funding bid. In the event that it is not successful, it is proposed that earmarked reserves be used instead. The ASB pilot is subject to an interim evaluation after 12 months (and then as part of the 2019/20 budget process, ahead of any decision regarding its future).
- d. With regard to Community Pools, any growth need cannot yet be quantified as further information is awaited. The position will be updated prior to Cabinet submitting its final proposals to Budget Council on 01 March. It is proposed that any growth need would be met from reserves.
- e. For CCTV, to allow more time to explore whether the scheme can and should be redesigned at no or little cost to the Council, an extension of the current scheme to September 2017 is provided for, at an estimated one-off cost of £50K.
- f. Beyond 2017/18 all other growth proposals are to be met from a combination of reserves and the need for services to make compensating ongoing savings. For example, property growth is to be covered through future property rationalisation savings, and accountancy growth is to be covered through finance-driven savings (be they income related or efficiency/modernisation measures).

- g. The review of provisions, reserves and balances to be undertaken by the s151 Officer will take account of the above, as well as the need to ensure sufficient resources are available to undertake any up-front development and feasibility work associated with the Council's existing commitments and other potential budget proposals outlined at Appendix 2.
- h. In terms of savings, any new charging policies associated with the budget proposals would be incorporated into the Council's Fees and Charges Policy as appropriate, with the detailed arrangements for implementation being delegated to the relevant Chief Officer, with the agreement of the relevant Portfolio Holder/s and the Chief Officer (Resources).