

# HERITAGE, CULTURE AND LEISURE COMMITTEE

**3 NOVEMBER 2015**

Is the final decision on the recommendations in this report to be made at this meeting?

**No**

## MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS

<b>Final Decision-Maker</b>	Heritage, Culture And Leisure Committee
<b>Lead Head of Service</b>	Head Of Finance & Resources
<b>Lead Officer and Report Author</b>	Head Of Finance & Resources
<b>Classification</b>	Public report (with exempt appendix)
<b>Wards affected</b>	All

### **This report makes the following recommendations to this Committee:**

1. That the Committee agrees to submit the proposals set out in exempt Appendix A to this report to Policy & Resources Committee for inclusion in the savings proposals for the medium term financial strategy 2016/17 onwards.
2. That the Committee notifies Policy & Resources Committee that the Museum is a potential budget pressure and that a further recommendation may be referred to Policy & Resources Committee following full consideration by Heritage Culture & Leisure Committee of future options.

### **This report relates to the following corporate priorities:**

The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Heritage Culture & Leisure Committee	3 November 2015
Policy & Resources Committee	16 December 2015
Council	2 March 2016

# MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 On 1<sup>st</sup> September 2015 the Committee considered a report on the medium term financial strategy 2016/17 onwards (MTFS). That report set out the draft plans of the Policy and Resources Committee for consideration.
- 1.2 This Committee agreed to consider options for savings and growth pressures at an informal briefing session in advance of full consideration at this meeting.
- 1.3 The Committee's informal briefing was on 30 September 2015 and this report provides details of the proposals discussed in order for the committee to formally approve them for inclusion in the MTFS.

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## 2. INTRODUCTION AND BACKGROUND

- 2.1 On 29<sup>th</sup> July 2015 Policy & Resources Committee agreed a strategic revenue projection based on a series of planning assumptions. That projection identified a need to find £3.76m of savings over the period of the strategy, 2016/17 to 2020/21, as set out in the table below:

Year	£m
2016/17	1.63
2017/18	0.79
2018/19	0.71
2019/20	0.53
2020/21	0.10
<b>Total</b>	<b>3.76</b>

Table 1: Budget strategy savings by financial year

- 2.2 Policy and Resources Committee requested that all service committees review the proposed strategic revenue projection and develop proposals for savings over the period of the MTFS and identify any unavoidable growth pressures that cannot be resourced by the committee concerned.
- 2.3 On 1 September 2015 this committee considered the request and agreed to identify its proposals initially through and informal briefing with officers. That briefing session occurred on 30 September 2015 and the proposals discussed are set out in the exempt **Appendix A** to this report. Table 2 below compares the value of the proposals to the Council's identified need set out in Table 1 above:

Year	£m	£m
2016/17	1.63	0.21
2017/18	0.79	0.13
2018/19	0.71	0.05

2019/20	0.53	0.04
2020/21	0.10	0
<b>Total</b>	<b>3.76</b>	<b>0.43</b>

*Table 2: Budget strategy savings and savings proposed by this Committee, by financial year*

- 2.4 Some of the proposals relate to Mote Park and while they represent income to the MTFs they also represent income and capital expenditure in the park to deliver improvements. All of the proposals set out in the exempt appendix require £1.1m of capital expenditure.
- 2.5 The councillors attending the informal briefing discussed the savings proposals set out in the exempt appendix and felt that, due to the business and/or personal nature of some of the proposals they should remain exempt at this time. The councillors also discussed a number of further ideas, requesting additional information on some. The ideas discussed are as follows:
- a) Museum – The committee will be aware from the quarter one budget monitoring report, which was considered on 1 September 2015, and the quarter two report, elsewhere on this agenda, that the Museum’s budget is under significant pressure. Officers have completed a zero based budgeting exercise on the Museum and the councillors that attended the briefing requested details of the necessary actions. The proposals are in the final stages of development and will be considered by the Corporate Leadership Team on 3 November 2015 and reported to this committee at a later meeting. At this time it is most likely that the Museum will be identified as a budget pressure.
  - b) Crematorium – The Committee will also be aware that the income levels set in the current budget for the Crematorium service are higher than current service levels would predict for year end. The debate at the briefing centred on action following consideration by the Committee of the fees and charges levels proposed for the service in 2016/17. This will be considered at the next meeting of the Committee.
  - c) Twinning – While this matter was discussed, a proposal for direct funding was not agreed. The committee debated options for funding from community groups, businesses and other sources that might be used to enhance the opportunities offered by twinning and the cultural and economic benefits this could bring to Maidstone.
- 2.6 In addition the committee considered the capital programme. Existing resources for the Play Area Improvement Programme and the resources set aside provisionally to achieve the works in Mote Park were discussed. No further capital schemes were put forward at the briefing.

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### **3. AVAILABLE OPTIONS**

- 3.1 The committee should consider the proposals set out in the exempt appendix and decide one of the following options:

- 3.2 Option 1 - Not to submit any proposals to Policy & Resources. A decision to not submit proposals would not be appropriate as the Council has a need to identify significant savings in order to balance its budget and it is appropriate for all service committees to contribute.
  - 3.3 Option 2 – Provide alternative proposals. Although at the informal briefing councillors considered the available options and officers confirmed that the proposals set out in the exempt appendix are viable, it is possible that the committee could propose alternative options. The options discussed at the informal briefing and proposed in the exempt appendix are viable and should not be set aside at this time.
  - 3.4 Option 3 – Agree the proposals set out in the exempt appendix. As stated these are all viable proposals that have been identified as deliverable with minimal impact on the Council’s strategic priorities.
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#### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 It is recommended that this Committee agree to submit to Policy and Resources Committee the proposals set out in the exempt appendix to this report.
  - 4.2 In addition it is recommended that the Committee identifies the Museum as a potential budget pressure to Policy and Resources Committee and, following consideration of the proposals brought to a later meeting of this Committee, that a further recommendation may be referred to Policy & Resources Committee.
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#### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 These proposals follow on from the consultation by Policy and Resources on the MTFs and constitute this Committee’s response to the request to identify savings and growth pressures.
  - 5.2 The Policy and Resources Committee will consider this Committee’s proposals at its meeting on 16 December 2015 along with the results of the budget consultation and any updated financial information from Government and other sources.
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#### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 The agreed recommendations will be reported to the Policy and Resources Committee at its meeting on 16 December 2015 when it considers the updated MTFs following the final calculation of the tax base for council tax,

the detailed fees and charges proposals and the draft finance settlement from the Department for Communities & Local Government.

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Head of Finance & Resources
<b>Risk Management</b>	<p>Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk. The MTFS is improved each year to enhance its resilience and effectiveness. The MTFS is considered by Policy &amp; Resources Committee, all service committees, the Audit Governance &amp; Standards Committee and Council.</p> <p>Specific budget savings proposals are identified in the exempt appendix to this report.</p>	Head of Finance & Resources
<b>Financial</b>	<p>The MTFS impacts upon all activities of the Council. The future availability of resources to address specific issues is planned through this process.</p> <p>It is important that the committee gives consideration to the strategic financial consequences from the recommendations in this report.</p>	Head of Finance & Resources
<b>Staffing</b>	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Head of Finance & Resources
<b>Legal</b>	The Council has a statutory	Head of

	obligation to set a balanced budget and development of the savings proposals assists this obligation.	Finance & Resources
<b>Equality Impact Needs Assessment</b>	The objective of the MTFS is to match available resources to the priorities set out in the Strategic Plan.	Head of Finance & Resources
<b>Environmental/Sustainable Development</b>	None identified	Head of Finance & Resources
<b>Community Safety</b>	None identified	Head of Finance & Resources
<b>Human Rights Act</b>	None identified	Head of Finance & Resources
<b>Procurement</b>	None identified	Head of Finance & Resources
<b>Asset Management</b>	None identified	Head of Finance & Resources

**8. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Exempt Appendix A: Savings Proposals 2016/17 to 2020/21

**9. BACKGROUND PAPERS**

None