

COMMUNITIES, HOUSING & ENVIRONMENT COMMITTEE

17 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

Final Decision-Maker	Council (2 March 2016)
Lead Head of Service	Head Of Finance & Resources
Lead Officer and Report Author	Head Of Finance & Resources
Classification	Public report with exempt appendix
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Committee agrees to submit the proposals set out in Appendix A to the Policy & Resources Committee for inclusion in the savings proposals for the medium term financial strategy 2016/17 onwards.
2. That the committee identifies the issues set out in paragraph 2.6 c) as requiring additional consideration by officers.

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

Meeting	Date
Communities, Housing & Environment Committee	17 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 15 September 2015 the Committee considered a report on the medium term financial strategy 2016/17 onwards (MTFS). That report set out for consideration the draft plans of the Policy and Resources Committee.
 - 1.2 This committee agreed to consider option for savings and growth pressures at an informal briefing session in advance of formal consideration at this meeting.
 - 1.3 The committee's informal briefing was on 21 October 2015 and this report provides details of the proposals discussed in order for the committee to formally approve them for inclusion in the MTFS.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 On 29th 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
Total	3.76

Table 1: Required 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 15 September 2015 this committee considered the request and agreed to identify its proposals initially through a briefing with officers. That briefing session occurred on 21 October 2015 and the proposals discussed are set out in **Appendix A** to this report and currently total £60,000. Table 2 below compares the value of the proposals to the Council's identified need set out in Table 1 above:

	MTFS Requirement	Proposed Options
Year	£m	£m
2016/17	1.63	0.05
2017/18	0.79	0.01

2018/19	0.71	0
2019/20	0.53	0
2020/21	0.10	0
Total	3.76	0.06

Table 2: Proposed budget strategy savings by financial year matched to overall need

- 2.4 Councillors attending the briefing discussed the savings proposals that are set out in Appendix A. The original proposals discussed at the briefing session also included a proposal for changes in the way that some housing services were provided. This proposal requires additional development prior to consideration and a report from the Head of Housing and Community Services will be presented to a later meeting of this committee.
- 2.5 The councillors also expressed concern that the proposals so far brought forward are short term. No medium term proposals have been developed to cover the later period of the MTFS.
- 2.6 During the briefing session councillors requested further information on a number of areas. These are as follows:
- a) Street cleaning review – councillors requested confirmation that the review was on target to produce the intended £50,000 in savings. Current estimates suggest that the reduction in employee costs would generate a saving of £25,000 with the balance of £25,000 arising from changes elsewhere in the budget for the service.
 - b) Public conveniences – a review of the current arrangement was requested in 2014/15. Councillors expressed concerns that the request might be missed during the process of moving to the new governance structure. The relevant officers have been reminded that they need to complete the review and report their findings to this committee.
 - c) The councillors also requested additional detail in relation to three other service areas:
 - A status report on the environmental health shared service;
 - A report on the pest control contract and potential alternative service delivery methods; and
 - Details of the current CCTV contract.

These three areas will also be reported back to this committee.
- 2.7 It is hoped that these additional areas might provide medium term proposals for the MTFS.
- 2.8 In addition the briefing considered the capital programme and noted that there are resources available for housing support both for social housing and for private sector rented accommodation. No additional schemes were identified at the briefing.

3. AVAILABLE OPTIONS

- 3.1 The committee should consider the proposals set out in Appendix A and decide one of the following options:
 - 3.2 Option 1 - Not to submit any proposals to Policy & Resources Committee. 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 have confirmed that the proposals set out in the appendix are viable, it is possible that the committee could propose alternative options. The options discussed at the briefing and proposed in the 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.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that the Committee agree to submit to Policy and Resources Committee the proposals set out in Appendix A to this report as viable options to support the medium term financial strategy.
 - 4.2 It is also recommended that the Committee considers the items set out in paragraph 2.6 c) and confirms that officers should provide reports on these issues to later meetings of this committee to consider opportunities for additional medium term proposals.
-

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 all service committees’ 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.
-

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 fees and charges proposals and the provisional finance settlement report from the Department for Communities and Local Government.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on 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.	Head of Finance & Resources
Risk Management	<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 & Resources Committee, all service committees, the Audit Governance & Standards Committee and Council.</p> <p>Specific budget savings proposals are identified in the appendix to this report.</p>	Head of Finance & Resources
Financial	<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
Staffing	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Head of Finance & Resources
Legal	The Council has a statutory	Head of

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

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

9. BACKGROUND PAPERS

None