

HERITAGE CULTURE & LEISURE COMMITTEE

4 JANUARY 2016

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

No

URGENT – MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS, FINAL REVIEW

Final Decision-Maker	Council
Lead Head of Service	Head Of Finance & Resources
Lead Officer and Report Author	Head Of Finance & Resources
Classification	Urgent Public Report
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Committee agrees the additional savings and efficiencies set out in Appendix B to this report.
2. That the Committee agreed the budget proposed for 2016/17 as set out in Appendix C to this report and confirm the decision to Policy and Resources Committee.
3. That the Committee agree the capital programme 2016/17 to 2020/21, for this Committee, as set out in Appendix F to this report and submit the decision to Policy and Resources Committee for inclusion in the full programme.

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
Heritage Culture & Leisure Committee	4 th January 2016
Policy & Resources Committee	17 th February 2016
Council	2 nd March 2016

URGENT – MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS, FINAL REVIEW

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report details the current revenue and capital budget plans of this Committee for 2016/17 incorporating the budget pressures and savings agreed by this committee in November 2015 and endorsed by Policy & Resources in December 2015.
 - 1.2 This is a final opportunity for the Committee to consider resources available to provide the services that are its responsibilities and comment to Policy and Resources Committee on any matters for their consideration before a recommendation is made to Council in March 2016.
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2. REASONS FOR URGENCY

- 2.1 The medium term financial strategy was affected by the provisional finance settlement that was published on 17th December 2015. Actions this committee will take must be reported to Policy and Resources Committee on 27th January 2016 but the work to identify actions meant that this report was not available by the normal agenda publication date.
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3. INTRODUCTION AND BACKGROUND

- 3.1 The work to date this year on the medium term financial strategy for revenue was reported to Policy and Resources Committee on 16th December 2015. At that meeting the Policy and Resources Committee confirmed the proposals put forward by this committee for growth, savings and efficiencies.
- 3.2 At the time of the meeting of the Policy and Resources Committee the provisional finance settlement had not been announced. The reported details, as endorsed by that committee, produced a balanced budget for 2016/17 based upon an earlier estimate of the revenue support grant and business rates values.
- 3.3 The provisional finance settlement was received on 17th December 2015 and provided significantly less resources than the earlier estimate. The variance between the estimated figures and the provisional settlement figures are set out in **Appendix A**.
- 3.4 The Council must agree a balanced budget at the budget settling meeting on 2nd March 2016 and it is therefore necessary for this Committee to consider additional savings and efficiencies to achieve a balanced budget. Proposed areas are set out in **Appendix B**.

- 3.5 The outcome of each service committee's consideration of the additional savings will be reported to the Policy & Resources Committee on 27th January 2016. In addition the medium term financial strategy for capital will be considered by the Policy & Resources Committee on 27th January 2016 including submissions made by this Committee arising from this report.
- 3.6 Final approval of the budget is reserved for the Council's budget setting meeting on 2nd March 2016. The Policy & Resources Committee will consider the final details and agree a set of recommendations to Council at its meeting on 17th February 2016.
- 3.7 Elsewhere on this agenda the Committee has considered the level of fees and charges it wishes to set for the services of this Committee that make a direct charge.
- 3.8 This report combines all of the information confirmed to date for this Committee's services. Contained within the appendices are the following details:
- Appendix C**, providing a summary of the revenue budget for this Committee's services. This includes all endorsed growth, savings and efficiencies; and the recommended level of fees and charges as reported on this agenda. It DOES NOT include the additional savings and efficiencies proposed in Appendix B;
- Appendix D**, providing details of growth included in Appendix A and endorsed by Policy & Resources Committee;
- Appendix E**, providing details of savings and efficiencies included in Appendix A and endorsed by Policy & Resources Committee; and
- Appendix F**, providing details of the capital programme as it reflects the actions and strategies of this Committee.
- 3.9 The Committee is requested to consider the details set out in the appendices, agree the proposals set out in Appendix B and confirm that the final details meet the previously agreed amendments to the budget.

4. AVAILABLE OPTIONS

- 4.1 **Option 1:** The Committee could chose to confirm the budget as set out in this report. This will enable the Committee's services to be funded at a level that is compatible with continued service provision while supporting the Council corporately to agree a balanced budget for 2016/17.
- 4.2 **Option 2:** The Committee could propose alternative additional savings and efficiencies. Subject to a suitable level of savings and efficiencies, this option could provide a balanced budget. However any decision made at this late stage may not allow adequate time to evaluate and action any alternative proposals in time for 1st April 2016.

4.3 **Option 3:** The Committee could reject the proposed savings or propose further growth. The proposal would be refer to Policy & Resources Committee on 17th February 2016. Given the financial pressure on the organisation it is unlikely that Policy & Resources Committee would be able to accept a request of this type and may need to choose savings options without the Committee's consent.

5. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

5.1 Option 1 is the preferred option as it provides the committee with revised and reduced resources and supports the Council's medium term financial strategy in a managed and controlled way.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Both this Committee and Policy & Resources Committee have previously considered and endorsed the revenue budget.
- 6.2 This is the first formal consideration of the capital programme that includes resources proposed for the actions and strategies of this committee. It is also the first formal consideration of the additional savings and efficiencies proposed to resolve the additional pressure created by the provisional finance settlement.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The decision of the Committee will be reported to Policy & Resources Committee. This will assist Policy & Resources Committee to make a final recommendation on a balanced budget to Council.

8. 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	Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic	Head of Finance & Resources

	<p>risk.</p> <p>The significance of the effect of the provisional finance settlement on the medium term financial strategy requires additional savings and efficiencies when the medium term financial strategy is in the final stage of development. Late developments such as these increase the risk of non-delivery. It will be necessary for the budget and specifically these proposals to be carefully monitored in 2016/17.</p>	
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 is aware of the additional budget pressure placed upon the medium term financial strategy by the provisional finance settlement. The settlement is for the four years 2019/20</p>	Head of Finance & Resources
Staffing	<p>The report proposes funding to ensure that the Committee has resources to fund appropriate salaries.</p>	Head of Finance & Resources
Legal	<p>The Council has a statutory obligation to set a balanced budget and development of the savings proposals assists this obligation.</p>	Head of Finance & Resources
Equality Impact Needs Assessment	<p>The objective of the MTFS is to match available resources to the priorities set out in the Strategic Plan. Delivery of those priorities should enable delivery in line with the impact assessment of the strategic plan.</p>	Head of Finance & Resources
Environmental/Sustainable Development	<p>None identified</p>	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	Resources for management and maintenance of the Committee's assets are included within the proposed budget.	Head of Finance & Resources

9. REPORT APPENDICES

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

- Appendix A: Comparison of the resources available from the estimated finance settlement and the provisional finance settlement.
- Appendix B: Additional Budget Savings and Efficiencies 2016/17 – Heritage Culture & Leisure Committee.
- Appendix C: Budget Summary 2016/17 – Heritage Culture & Leisure Committee
- Appendix D: Budget Growth 2016/17 – Heritage Culture & Leisure Committee
- Appendix E: Budget Savings & Efficiencies 2016/17 – Heritage Culture & Leisure Committee
- Appendix F: Proposed Capital Programme 2016/17 to 2020/21 – Heritage Culture & Leisure Committee

10. BACKGROUND PAPERS

None