

Division(s): N/A

**PERFORMANCE SCRUTINY COMMITTEE**  
**15 December 2016**

**Service & Resource Planning**  
**2017/18 to 2020/21**

**Report by the Chief Finance Officer**

**Introduction**

1. This report is one in the series on the Service & Resource Planning process for 2017/18 to 2020/21, providing councillors with information on budget issues for 2017/18 and the medium term. This report presents the new pressures and savings for 2017/18 and the medium term, the key announcements of the Autumn Statement announced on 23 November 2016; and the capital programme proposals for 2017/18 to 2020/21.
2. The attached annexes will be considered by Cabinet on 20 December 2016. The Performance Scrutiny Committee is invited to consider the new revenue budget pressures and savings and, taking account of the service and community impact assessments, to comment on the proposals. The Committee is also invited to consider and comment on the capital budget proposals contained in the same report.
3. These comments will be taken into consideration by Cabinet in finalising its budget proposals which will be set out in the report to Cabinet on 24 January 2017, when the Cabinet will propose its 2017/18 revenue budget, 2017/18 – 2020/21 Medium Term Financial Plan and Capital Programme to 2020/21.
4. The following annexes are attached to this report:

Annex 1: Service & Resource Planning Report 2017/18 to 2020/21 to Cabinet on 20 December 2016

Annex 2: Revenue Budget Pressures and Savings 2017/18 to 2020/21

Annex 3: Service & Community Impact Assessments (SCIAs)

**Pressures & Savings Proposals**

5. There are new Service and Corporate pressures totalling £16.1m for the period 2017/18 to 2020/21 as shown in the table below.

| <b>Service Area</b>                        | <b>2017/18<br/>£m</b> | <b>2018/19<br/>£m</b> | <b>2019/20<br/>£m</b> | <b>2020/21<br/>£m</b> | <b>Total<br/>£m</b> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Children, Education & Families             | 7.7                   | 1.9                   | 1.3                   |                       | 10.9                |
| Adult Social Care                          | 0.8                   | 0.1                   | 0.2                   |                       | 1.1                 |
| Fire & Rescue Service and Community Safety | 0.1                   |                       |                       |                       | 0.1                 |
| Environment & Economy                      | 0.5                   | 0.6                   | 0.7                   | -0.2                  | 1.6                 |
| Corporate Services                         | 1.2                   |                       | -0.7                  |                       | 0.5                 |
| Council-wide/Corporate Measures            | 1.5                   | 0.2                   | 0.2                   |                       | 1.9                 |
| <b>TOTAL</b>                               | <b>11.8</b>           | <b>2.8</b>            | <b>1.7</b>            | <b>-0.2</b>           | <b>16.1</b>         |

#### Changes to the Existing Medium Term Financial Plan

6. The Council has a good track record of delivering on savings plans, having delivered £247m of savings between 2010/11 and 2015/16 and is on track to deliver most of the £53m required in 2016/17. To ensure this delivery continues a re-assessment of the £61m savings that are in the MTFP still to be delivered has been undertaken and where savings cannot be achieved, they are being removed and new savings identified to replace them. This totals £12.3m and details are set out in Annex 1.

#### Savings

7. Service and corporate savings options of £26.9m have been identified over the period 2017/18 to 2020/21. A summary by service is shown in the following table:

| <b>Service Area</b>                        | <b>2017/18<br/>£m</b> | <b>2018/19<br/>£m</b> | <b>2019/20<br/>£m</b> | <b>2020/21<br/>£m</b> | <b>Total<br/>£m</b> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Adult Social Care                          | -2.8                  | -1.0                  |                       |                       | -3.8                |
| Fire & Rescue Service and Community Safety | -0.4                  |                       | -0.1                  |                       | -0.5                |
| Environment & Economy                      | -1.3                  | 1.3                   |                       |                       | 0.0                 |
| Corporate Services                         | -0.3                  | 0.3                   |                       |                       | 0.0                 |
| Public Health                              | -0.5                  | -0.5                  |                       |                       | -1.0                |
| Council-wide/Corporate Measures            | -24.1                 | 4.1                   | -1.8                  | 0.2                   | -21.6               |
| <b>TOTAL</b>                               | <b>-29.4</b>          | <b>4.2</b>            | <b>-1.9</b>           | <b>0.2</b>            | <b>-26.9</b>        |

#### Overall Position

8. The following table shows that currently there is a remaining net pressure of £1.5m in 2017/18 and a balanced position over the medium term. The Council

is awaiting the outcome of the Provisional Local Government Finance Settlement and final information from district councils before addressing this position in order that a balanced budget can be set on 14 February 2017.

9. At this stage it is anticipated that the net pressure will be met by further reducing use of agency and interim staff in line with current plans.

|                                    | <b>2017/18<br/>£m</b> | <b>2018/19<br/>£m</b> | <b>2019/20<br/>£m</b> | <b>2020/21<br/>£m</b> | <b>TOTAL<br/>£m</b> |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| New Pressures                      | 11.8                  | 2.8                   | 1.7                   | -0.2                  | 16.1                |
| Changes to Existing MTFP           | 19.1                  | -7.0                  | 0.2                   | 0.0                   | 12.3                |
| Savings                            | -29.4                 | 4.2                   | -1.9                  | 0.2                   | -26.9               |
| <b>Net Pressure (+)/Saving (-)</b> | <b>1.5</b>            | <b>0.0</b>            | <b>0.0</b>            | <b>0.0</b>            | <b>1.5</b>          |

### **Next Steps**

10. The comments from this Committee on the budget proposals will be fed back to the Cabinet for it to take into consideration when proposing its revenue budget for 2017/18 and MTFP to 2020/21 MTFP on 24 January 2017.
11. The Council will meet to set the budget and council tax requirement for 2016/17 on 14 February 2017.

### **Financial and Legal Implications**

12. This report is mostly concerned with finance and the implications are set out in the main body of the report.

### **RECOMMENDATION**

13. **The Committee is invited to consider and comment on both the revenue and capital budget proposals.**

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