

Division(s): N/A

PERFORMANCE SCRUTINY COMMITTEE
14 December 2017

Service & Resource Planning
2018/19 to 2021/22

Report by the Chief Finance Officer

Introduction

1. This report is one in the series on the Service & Resource Planning process for 2018/19 to 2021/22, providing councillors with information on budget issues for 2018/19 and the medium term. This report presents the new revenue improvements and investments plus pressures and savings for 2018/19 and the medium term, the key announcements of the Autumn Budget announced on 22 November 2017; and the proposed capital programme portfolio areas for 2018/19 to 2027/28.
2. The attached annexes will be considered by Cabinet on 19 December 2017. The Performance Scrutiny Committee is invited to consider the new revenue budget improvements and investments plus 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 proposed capital budget portfolio areas contained in the same report. The Committee will have a further opportunity to comment on the capital programme at its meeting in January 2018.
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 23 January 2018, when the Cabinet will propose its 2018/19 revenue budget, 2018/19 – 2021/22 Medium Term Financial Plan and Capital Programme to 2027/28.
4. The following annexes are attached to this report:
 - Annex 1: Service & Resource Planning Report 2018/19 to 2021/22 to Cabinet on 19 December 2017 (excluding the Financial Strategy and Review of Charges)
 - Annex 2: Improvements and Investments plus Pressures and Savings Summary
 - Annex 3: Cross-cutting Service and Community Impact Assessment- November 2017

Improvements and Investments plus Pressures & Savings Proposals

Improvements and Investments

5. There are new Service improvements and investments totalling £4.7m for the period 2018/19 to 2021/22 as shown in the table below.

Service Area	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Communities	4.4	0.4		-0.5	4.3
Communities – Fire & Rescue Service	0.4				0.4
TOTAL	4.8	0.4	0.0	-0.5	4.7

Pressures

6. There are new Service and Corporate pressures totalling £34.1m for the period 2018/19 to 2021/22 as shown in the table below.

Service Area	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
People – Children’s Services	7.5	0.4	1.5	1.5	10.9
People - Adult Services	5.6	8.3	7.9	5.6	27.4
People – Public Health	1.0				1.0
Communities					0.0
Communities – Fire & Rescue Service	0.5	-0.2			0.3
Resources	0.6	0.4			1.0
Council-wide/Corporate Measures	3.2	0.1	3.1	0.2	6.6
Less: Demography Allocation in the MTFP			-6.0	-7.1	-13.1
TOTAL	18.4	9.0	6.5	0.2	34.1

Savings

7. Service and corporate savings options of £37.8m have been identified over the period 2018/19 to 2021/22. A summary by service is shown in the following table:

Service Area	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
People – Children’s Services	-6.2	-4.0	-1.8		-12.0
People - Adult Services	-6.3	-2.9	-0.1	-0.3	-9.6
People – Public Health	-0.5	0.3		0.2	0.0
Communities	-4.6	0.9	0.2	-0.2	-3.7
Communities – Fire & Rescue Service	-0.8		0.8		0.0
Resources	-1.1	-1.5	-0.8	-0.2	-3.6
Council-wide/Corporate Measures	-12.9	7.2	-3.2		-8.9
TOTAL	-32.4	0.0	-4.9	-0.5	37.8

Overall Position

8. To reflect the work currently underway and the resulting timetable in relation to the Fit for the Future Programme, the £15m savings included in the MTFP have been re-phased to deliver £8.5m in 2019/20, £3.5m in 2020/21 and £3.0m in 2021/22.
9. The table below shows that currently there is a remaining net pressure of £5.8m in 2018/19, £0.9m in 2019/20 and a net saving of -£5.7m in 2020/21 and 2021/22, giving a total net pressure of £1.0m 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 13 February 2018.
10. At this stage, it is anticipated that, following the 2018/19 budget principles set out in the Financial Strategy, the net pressure in 2018/19 will be met, on a one-off basis, by the use of reserves and addressed on an on-going basis as part of the transformation programme.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m
Improvements & Investments	4.8	0.4	0.0	-0.5	4.7
Pressures	18.4	9.0	6.5	0.2	34.1
Savings	-32.4	0.0	-4.9	-0.5	37.8
Transformation Savings Re-profiled	15.0	-8.5	-3.5	-3.0	0.0
Net Pressure (+)/Saving (-)	5.8	0.9	-1.9	-3.8	1.0

Next Steps

11. 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 2018/19 and MTFP to 2021/22 MTFP on 23 January 2018.
12. The Council will meet to set the budget and council tax requirement for 2018/19 on 13 February 2018.

Financial and Legal Implications

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

RECOMMENDATION

14. **The Performance Scrutiny Committee is invited to consider and comment on the revenue improvements and investments plus pressures and savings proposals; and the proposed capital portfolio areas.**

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