

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Tuesday, 16 October 2018
Report Subject	Budget 2019/20 – Stage 2 proposals
Cabinet Member	Leader of the Council and Cabinet Member for Finance, Cabinet Member for Streetscene and Countryside and Cabinet Member for Planning and Public Protection
Report Author	Corporate Finance Manager, Chief Executive, Chief Officer (Streetscene & Transportation) and Chief Officer (Planning & Environment)
Type of Report	Strategic

EXECUTIVE SUMMARY

A report to Cabinet in April provided the first detailed overview of the financial forecast for 2019/20. At that stage the projected budget gap stood at £12.2m; this reduced to £10.6m when taking account of the accounting policy change of the Minimum Revenue Provision (MRP) and the impact of the stepped annual increase in the charging cap for domiciliary care.

Member Workshops were held on 13 and 23 July and a further one held on 18 September. At these sessions members were updated on latest local financial forecast in the context of the overall national position. A report to Cabinet on 25 September provided an update on the financial forecast for 2019/20 detailing a projected budget gap of £13.7m.

An additional workshop specifically for this committee was held on 11 October and provided members with an opportunity to understand portfolio budgets in more detail. The risks and resilience levels of service areas was also considered at this session.

As in recent years the budget for 2019/20 will be considered in stages and this report advises of the pressures and efficiencies identified as part of the first stages.

RECOMMENDATIONS

1	That the Committee reviews and comments on the portfolio pressures and investments.
2	That the Committee reviews and comments on the portfolio efficiency options.

REPORT DETAILS

1.00	EXPLAINING THE FINANCIAL FORECAST AND STAGE ONE BUDGET PROPOSALS						
1.01	A report to Cabinet in April provided the first detailed overview of the financial forecast for 2019/20. At that stage the projected budget gap stood at £12.2m; this reduced to £10.6m when taking account of the accounting policy change of the Minimum Revenue Provision (MRP) and the impact of the stepped annual increase in the charging cap for domiciliary care.						
1.02	Member Workshops were held on 13 and 23 July and a further one held on 18 September. At these sessions members were updated on latest local financial forecast in the context of the overall national position. A report to Cabinet on 25 September provided an update on the financial forecast for 2019/20 detailing a projected budget gap of £13.7m.						
1.03	An additional workshop specifically for this committee was held on 11 October and provided members with an opportunity to understand portfolio budgets in more detail. The risks and resilience levels of service areas was also considered at this session and detailed resilience statements have been prepared for each service area.						
1.04	As in recent years the budget for 2019/20 will be considered in stages and this report advises of the pressures and efficiencies identified as part of the first stages.						
1.05	<p>Portfolio Pressures and Investments</p> <p>Detailed below are the pressures and investments relating to the Streetscene and Transportation and Planning, Environment & the Economy Portfolios (part):</p> <p><u>Streetscene & Transportation</u></p> <table> <tr> <td>North Wales Residual Waste Treatment Project* (No WG Grant during commissioning period)</td> <td>£0.425m (one-off)</td> </tr> <tr> <td>Waste Recycling Income reductions (reducing value of material collected due to the loss of international markets)</td> <td>£0.180m</td> </tr> </table> <p><u>Planning, Environment & the Economy</u></p> <table> <tr> <td>Local Development Plan (LDP)</td> <td>£0.172m</td> </tr> </table>	North Wales Residual Waste Treatment Project* (No WG Grant during commissioning period)	£0.425m (one-off)	Waste Recycling Income reductions (reducing value of material collected due to the loss of international markets)	£0.180m	Local Development Plan (LDP)	£0.172m
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	* an application to re-profile grant funding is pending with Welsh Government which may mitigate this pressure																						
1.06	<p>Portfolio Business Planning Efficiencies</p> <p>The following efficiencies have been identified by the Portfolios:</p> <p><u>Streetscene & Transportation</u></p> <table> <tr> <td>Review of security arrangements in Alltami Depot</td> <td>£0.005m</td> </tr> <tr> <td>School Transport Anomalies</td> <td>£0.100m</td> </tr> <tr> <td>Income from external works (Fleet Workshop)</td> <td>£0.010m</td> </tr> <tr> <td>Garden Waste Charges (increased take up)</td> <td><u>£0.050m</u></td> </tr> <tr> <td>Total – Streetscene & Transportation</td> <td><u>£0.165m</u></td> </tr> </table> <p>Efficiencies of £6.078m have been identified within this portfolio for the period 2015/16 – 2017/18.</p> <p><u>Planning, Environment & the Economy</u></p> <table> <tr> <td>Greenfield Valley</td> <td>£0.018m</td> </tr> <tr> <td>Service Review within Community & Business</td> <td>£0.035m</td> </tr> <tr> <td>Increased Planning Fee income</td> <td>£0.025m</td> </tr> <tr> <td>Minerals & Waste Shared Service</td> <td>£0.005m</td> </tr> <tr> <td>Supplies & Services spending review</td> <td><u>£0.005m</u></td> </tr> <tr> <td>Total – Planning, Environment & the Economy</td> <td><u>£0.088m</u></td> </tr> </table> <p>Efficiencies of £1.814m have been identified within this portfolio for the period 2015/16 – 2017/18.</p>	Review of security arrangements in Alltami Depot	£0.005m	School Transport Anomalies	£0.100m	Income from external works (Fleet Workshop)	£0.010m	Garden Waste Charges (increased take up)	<u>£0.050m</u>	Total – Streetscene & Transportation	<u>£0.165m</u>	Greenfield Valley	£0.018m	Service Review within Community & Business	£0.035m	Increased Planning Fee income	£0.025m	Minerals & Waste Shared Service	£0.005m	Supplies & Services spending review	<u>£0.005m</u>	Total – Planning, Environment & the Economy	<u>£0.088m</u>
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1.07	<p>Budget Process and Timeline</p> <p>National Budget Timetable</p> <ul style="list-style-type: none"> - Provisional Welsh Local Government Settlement – received on 9 October - Chancellor’s Autumn Statement – scheduled for 29 October - Final Settlement – scheduled for 19 December 																						
1.08	<p>Local Budget Timetable</p> <p>Stage 1 : Corporate Solutions</p> <ul style="list-style-type: none"> - Corporate Resources and Cabinet – October - Council – November <p>Stage 2 : Service Portfolio Solutions</p> <ul style="list-style-type: none"> - Overview and Scrutiny workshops and formal meetings – October - Cabinet and Council – November/December <p>Stage 3 : National Solutions</p> <ul style="list-style-type: none"> - Cabinet, Corporate Resources and Council – December/January <p>Final Budget Setting – Cabinet and Council – 19 February 2019</p>																						

2.00	RESOURCE IMPLICATIONS
2.01	As set out in the report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	As set out in the report.

4.00	RISK MANAGEMENT
4.01	As set out in the report.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: (01352) 702271 E-mail: gary.ferguson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget and to individual councils one by one. The amount of Revenue Support Grant each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example, of population size and demographics and levels of social deprivation.</p> <p>Financial Year: the period of 12 months commencing on 1 April</p> <p>Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any</p>

	authorised amendments to them.
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