



Council Fund Revenue Budget 2017/18

County Council
14 February, 2017





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Budget Strategy

- » **Stage One - Service Reform** – Portfolio Business Planning efficiencies (Year 3 of 3)
- » **Stage Two - Corporate Financial Stewardship** - efficiencies from areas such as financing of debt, reduced provisions for central costs, reduction of pressures
- » **Working with Welsh Government** – lobbying to get a better deal for Flintshire in terms of the distribution of revenue grant funding and more local choice on charging



Budget Stage One Portfolio Business Plans





Portfolio Business Plans

- » Portfolio Business Planning efficiencies of £5.743m for 2017/18 (Year 3 of 3)
- » Total of £24m over 3 years (Year 1 £10.5m Year 2 £7.8m)
- » 30% target reductions for all Portfolios except Schools and Social Care
- » Approved by County Council 15 November



Portfolio Business Plans

Portfolio		£m
Planning and Environment		0.205
Streetscene and Transportation		1.350
Social Care		0.690
Education and Youth		0.873
Organisational Change		0.943
Community and Enterprise		0.629
Corporate Services		0.903
Central and Corporate Finance		0.150
Total		5.743



Budget Stage Two

Corporate Financial Stewardship





Stage Two – Corporate Financial Stewardship

- » Considered in detail at Corporate Resources and Scrutiny Committee on 30 November
- » Review of MRP Policy, Utilisation of Reserves, re-profiling spend, and amendments to Council Tax base
- » Approved by County Council on 6 December



Corporate Financial Stewardship Proposals

Description		£m
Council Tax Base Increase		0.345
Independent Living Fund (ILF)		0.412
Transition to Adulthood		0.162
Flint Extra Care Scheme		0.170
Schools Investment		0.400
Apprentice Tax Levy		0.470
Central Loans and Investment Account (CLIA)		2.690
Total		4.649

Remaining Budget Gap after Stages One and Two

Description	£m
Projected Budget "gap"	14.4
Less:	
Portfolio Business Plans	(5.7)
Corporate Financial Stewardship	(4.6)
Provisional Settlement	(2.8)
Add:	
New and Emerging Pressures	0.6
Impact of Final Settlement	0.1
Remaining Budget "Gap"	2.0



Limited Options to Close the Budget Gap





Domiciliary Care Funding

- » Made a strong case for relaxation or lifting of the cap
- » Sector faces significant additional cost pressures in a fragile provider sector
- » Confirmation that the cap will be raised to £70 per week from April 2017 (£0.238m) and £10 per week thereafter
- » Additional Grant of £10m across Wales (£0.430m)
- » The additional funding from a combination of the increase in the charging cap and a share of the specific grant reduces the projected gap to £1.329m



Council Tax

- » Forecast assumes an increase of 3%
- » Capping limits likely to apply greater than 5% (each increase of 0.1% contributes £0.058m)
- » North Wales Fire and Rescue increase of 4.52% for FCC (£0.317m) – not included in current estimates
- » Adding the levy to Council Tax would raise to 3.55% from 3%
- » The budget gap is increased to £1.646m once the increase in the levy is taken into account



School Investment

- » An uplift of 1.34% included in the forecast (£1.2m)
- » To be distributed through the School Funding Formula
- » Reduction in provision presents risks to school budget planning
- » Corporate Resources Overview and Scrutiny Committee recommends this level be maintained



Council Tax and Use of Reserves and Balances

- » If school investment maintained only options remaining are striking a balance between Council Tax and use of reserves
- » An amount of £0.699m already approved to meet year 1 costs of Apprentice Levy
- » Balanced judgement over what is prudent and mindful of impact on budget for future years
- » Council Tax income is recurring so benefits current and future years



Budget Risks and Issues

» **Single Environment Grant**

- » Reduction of 3.7% (£0.110m)

» **Transportation Costs**

- » Negotiations with WG ongoing
- » Review of routes and frequency

» **Social Care Fees**

- » Negotiations with external care providers ongoing
- » Fee increase to be maintained within forecast
- » Any amount remaining to be set aside to mitigate ongoing budget risks



Professional Opinions

- » **Section 151 Officer/Corporate Finance Manager:** confirms the reasonableness of the budget estimates but not without risk; budget assumptions represent a measured and acceptable level of risk; a robust programme for the delivery of the efficiencies essential along with effective and disciplined in-year financial management
- » **Chief Executive:** A balanced approach to achieving the annual budget; challenge of setting a budget increasingly more difficult; several ongoing risks and Council has to be confident they are understood and manageable; Fair and sustainable funding at national level a predominant risk for new Council



The Future

- » Limited capacity for further savings to meet further reductions in national grant support in future years
- » Increasing budget pressures from new national tax burdens and shifting of responsibility for national decisions
- » The sustainability of the Council budget – under the current funding systems and formula – coming into question. Commitment to a national funding review