

**FLINTSHIRE COUNTY COUNCIL**

<b>Date of Meeting</b>	Tuesday 19 <sup>th</sup> February 2019
<b>Report Subject</b>	Council Fund Budget 2019/20
<b>Report Author</b>	Chief Executive and Corporate Finance Manager

**EXECUTIVE SUMMARY**

At the Council meeting on 29<sup>th</sup> January it was agreed to defer consideration of the Council Fund Budget report and for officers to review several specific areas of corporate finance and come back with further technical advice and professional opinion.

The specific areas were:-

- the Minimum Revenue Policy (MRP) commitments, and the scope for reducing the annual revenue contribution by using capital receipts to reduce total financeable debt;
- the detailed rationale for recommending the retention of the reserves as listed in the table in the report and in the presentation slides; and
- the justification for retaining the earmarked reserves that are forecast to remain at a static level over the next year.

Further explanation was also requested on the scope for debt rescheduling under the Treasury Management Strategy.

Council had agreed to that information being provided in a budget briefing session to take place before this meeting.

Council also supported a delegation visiting Welsh Government to make representations. The Senedd delegation took place on Tuesday 5<sup>th</sup> February and a group of cross-party Members were able to make representations directly to the Minister for Housing and Local Government.

Additional technical advice and professional opinion is being provided in a series of detailed advice notes. These are listed in the Background Papers section at the end of this report and will be published when available. The report considered by Council on 29<sup>th</sup> January is resubmitted as Appendix A.

## RECOMMENDATIONS

1	That following the delegation visit to Welsh Government the Council is advised that there has been no indication by Welsh Government of any intent to adjust the Settlement for 2019/20. Council should either note and accept this outcome or advise on making a further formal request to Welsh Government for assistance.
2	That following the holding of a further budget briefing, and the receipt of the additional technical advice and professional opinion provided, the Council now receives and considers the recommendations of Cabinet for balancing the budget for 2019/20.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE CURRENT POSITION – BALANCING THE BUDGET FOR 2019/20</b>
1.01	<p>Cabinet received a report on the Council Fund Budget 2019/20 – Third and Closing Stage at its meeting on 22 January. This report is attached as Appendix A.</p> <p><b>Resolutions from Cabinet:</b></p> <p>(1) Cabinet note the updated budget forecast position as the basis for setting a legal and balanced budget for 2019/20;</p> <p>(2) Cabinet advise Council that in the absence of an improvement in the Local Government Settlement by Welsh Government then the Council will have to rely on a Council Tax rise in the region of 8.5% to meet its own expenditure requirements for 2019/20 (excluding the increase in the Levy of the North Wales Fire and Rescue Authority);</p> <p>(3) Cabinet invite Council to engage with Welsh Government – through a cross-party delegation - for an improved Local Government Settlement, in order to suppress Council Tax rises in Flintshire and across Wales, by specifically increasing recurring funding for schools and children’s services; and</p> <p>(4) Officers provide information on those non-mandatory services where Council could review its policies and funding commitments. The information to include financial values (to the Council Tax payer) and the risks associated with making any changes to current commitments.</p>
1.02	The previous report to Council, which is attached, covers the budget position in full.
1.03	Final confirmation of the precepts set by Town and Community Councils have now been received and the average increase for a Band D property is 2.13%. Confirmation of the Police and Crime Commissioner increase has been confirmed as 7.74%. Setting a Council Tax Band D charge at an overall increase of 8.9% (including the increase of 0.5% for North Wales Fire and Rescue Authority levy) the overall increase in Council Tax would be 8.49%.

1.04	The Senedd delegation took place on Tuesday 5 <sup>th</sup> February, with 27 Flintshire Members and the Chair of Anglesey County Council, Councillor Dylan Rees participating. The delegation met the two Flintshire Assembly Members and a group of cross-party Members made representations directly to the Minister for Housing and Local Government, Julie James AM.
1.05	There has been no indication by Welsh Government of any intent to adjust the Settlement for 2019/20. Council should either note and accept this outcome or advise on making a further formal request to Welsh Government for assistance.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As contained within the report to Cabinet of 22 January 2019 which is attached.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	As contained within the report to Cabinet of 22 January 2019 which is attached.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	As contained within the report to Cabinet of 22 January 2019 which is attached.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A - Council Report 29 January 2019 and Cabinet Report 22 January 2019. Appendix B - Council Presentation 29 January 2019.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	As included in the Cabinet Report 22 January 2019  <b>Additional technical notes available:</b> Capital Receipts and Minimum Revenue Provision (MRP) Treasury Management (Debt Rescheduling and Cash flow) Un earmarked Reserves – Prudent Level Earmarked Reserves  <b>Contact Officer:</b> Colin Everett, Chief Executive Gary Ferguson, Corporate Finance Manager

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<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	As set out in the attached report.