

Budget Setting Process – 2019/20

Scrutiny Committee

Date: 14th January 2019

Author: Interim Director of Law

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 The Scrutiny Committee has specific responsibility under its terms of reference, and under the Budget and Policy Framework Procedure Rules, to fulfil the Council's Budget Scrutiny Function. This report is intended to afford members an opportunity to better understand the strategic context and framing for the direction of travel of the organisation to deliver the Vision for Swindon, within the expected financial context, and the particular processes the Council has adopted to ensure it has a balanced budget for 2019/20 and a sustainable financial position moving forward.
- 1.2 Responsible financial management underpins the Council's Vision, Priorities and Pledges by ensuring best use is consistently made of all available resources as well as providing focus for its transformation work. The scrutiny of the budget function is an important element in ensuring the organisation understands the financial context within which it operates and develops plans to remain financially stable that will underpin the Council's ability to achieve its Vision, strategies, plans and priorities, including the corporate objectives.
- 1.3 The report will also afford the Committee an opportunity to receive a current budget position statement from the Cabinet Member for Finance and the Director of Finance.

2. Recommendations

The Committee is recommended to:

- 2.1 Note the budget position update and, in furtherance of the Committee's budget scrutiny function, to put questions to the Cabinet Member for Finance and the Director of Finance on issues relating to:
 - 2.1.1 the financial context within which the budget proposals have been framed, and
 - 2.1.2 the budget and policy framework utilised by the Council in setting its 2019/20 budget.
- 2.2 Consider what it wishes to report to Cabinet as the outcome of its deliberations on the Budget setting process for 2019/20.

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3. Detail

2018/19 Budget Management and Budget Strategy up to March 2020

- 3.1 The Cabinet Member for Finance, Councillor Russell Holland, and the Director of Finance (Section 151 Officer), submitted a joint report to the Cabinet meeting on 17th October 2018 setting out a strategic context and framing for the direction of travel of the organisation to deliver the Vision for Swindon, within the expected financial context. The report provided an update on the 2018-19 forecast outturn, and set out the approach for addressing the financial challenges in the period up to March 2020.
- 3.2 A further report, building on the decisions taken by Cabinet on 17th October 2018, and providing an update on the position in relation to the 2018/19 forecast outturn and the work underway to address the financial challenge in the period up to March 2020, was submitted to Cabinet on 5th December 2018.
- 3.3 Following its consideration of that report, Cabinet determined:
- 3.3.1 That the in-year forecast outturn position for 2018/19 be noted and that responding management actions continue to be employed to eliminate the projected year-end overspend.
- 3.3.2 That, with regard to the 2019/20 budget, it be noted:
- a) That the Local Government Finance Settlement for 2019/20 has yet to be published and therefore the funding assumptions in this report contain levels of uncertainty;
 - b) That there is currently a gap between the assumed funding levels for 2019/20 and the current proposed cost of services as set out in Table 3, and that work is continuing to identify further options to close this gap for consideration by Members once actual funding levels are confirmed and before the final budget is recommended to Council; and
 - c) That the council tax base for 2019/20 will be 74,532.0.
- 3.3.3 That the following be agreed:
- a) The virements set out in Appendix 2 to the report.
 - b) That those new budget proposals that do not directly affect front-line services can be implemented by officers at the earliest opportunity, including undertaking consultation with staff where appropriate.
 - c) That consultation commences for budget proposals affecting front-line services with the outcome of that consultation being reported to Cabinet in February 2019 prior to considering the final budget to be recommended to Council.

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- d) That budgets for fees and charges that are set by the Council should be uplifted by 5% or a rounded price close to 5% except where alternative proposals are recommended.
- e) That the Local Council Tax Support (reduction) scheme in 2019/20 be unchanged from that for 2018/19, apart from the annual increases in allowances, applicable amounts and non-dependant deductions, which will be increased in line with the national scheme.
- f) That the Council Tax on unfurnished and unoccupied properties in excess of two years be increased from 150% to 200% with effect from 1st April 2019, in accordance with the Rating and Council Tax Act 2018, to encourage their owners to bring them back into use.
- g) That the Council's share of the estimated surplus on the council tax element of the Collection Fund as at 31 March 2019 is £1.393m.

3.4 In accordance with its specific responsibility as set out in the Council's Constitution (Article 6 and the Budget and Policy Framework Procedure Rules refer), Scrutiny Committee is invited to note the budget position update and, in furtherance of the Committee's budget scrutiny function, to put questions to the Cabinet Member for Finance and the Director of Finance, on issues relating to:

3.4.1 the financial context within which the budget proposals have been framed, and

3.4.2 the budget and policy framework utilised by the Council in setting its budget to address the financial challenge in the period up to March 2020.

3.5 The Committee is also asked to consider what it wishes to report to Cabinet as the outcome of its deliberations on the Budget setting process.

3.6 Copies of the Cabinet reports can be viewed on the Council's website.

4. Alternative Options

4.1 There are no specific proposals put forward as it is a matter for the Committee as to how it fulfils the Council's Budget Scrutiny function.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 This report has no direct financial or procurement implications. However, the adoption by the Council of any recommendations arising from members' consideration of the report, might have implications for specific budget proposals and the setting of the budget in the period up to March 2019.

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Legal and Human Rights Implications

- 5.2 Legal and human rights implications have been taken into account in preparing this report. It is considered that the recommendations are consistent with Convention Rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no such direct implications.

Diversity Impact Assessment

- 5.4 There are no such direct implications. Any changes to services that do require consultation will have a formal consultation process that shall be reported to Cabinet and Council in February 2019.

Risk Management

- 5.5 There are no such direct implications.

6. Consultees

- 6.1 The author has consulted, where appropriate, with Corporate Directors, Directors, Heads of Service, other officers and relevant partners on the purpose, content and recommendations of the report.

7. Background Papers

- 7.1 Cabinet Report – 17th October 2018 – Budget Management Update.
7.2 Cabinet Report – 5th December 2018 – Budget Update.

8. Appendices

- 8.1 None.