

Budget Setting Process - 2016-17

Scrutiny Committee

Date: 11th January 2016

Author: Director of Law and Democratic Services
Wards: All
Locality Affected: 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 over the next four years, within the expected financial context, and the particular processes the Council has adopted to ensure it has a balanced budget for 2016-17 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, People and Performance, and the Board Director Resources, with particular regard to:
 - 1.3.1 The detail of the Local Government Finance Settlement for 2016-17
 - 1.3.2 Progress in relation to engagement and consultation with residents, stakeholders and service users on the organisational strategic response approved by Cabinet at its meeting on 9 December 2015 (*reported to Scrutiny Committee on 14th December 2015*)

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, People and Performance, and the Board Director Resources, on issues relating to:
 - 2.1.1 the financial context within which the budget proposals have been framed, and
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Further information on the subject of this report can be obtained from Steve Jones, 01793 463602, stevejones@swindon.gov.uk.

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- 2.1.2 the budget and policy framework utilised by the Council in setting its 2016/17 budget.
- 2.2 Consider what it wishes to report to Cabinet as the outcome of its deliberations on the Budget setting process 2016-17.

3. Detail

Cabinet Report - 2016-2020 Direction of Travel, Financial Context and Budget Proposals 2016/17

- 3.1 The Cabinet Member for Finance, People and Performance, Councillor Russell Holland, and the Board Director, Resources, submitted a joint report to the Cabinet meeting on 9th December 2015, concerning the development of a strategic and financial context to enable the Council over the next four year period to progress the delivery of the Vision for Swindon. The report set out:
 - 3.1.1 the financial context within which the Council currently operated and the likely future position,
 - 3.1.2 the Council's intended direction of travel to achieve the delivery of its Vision, strategies, plans, priorities and corporate objectives in the medium term,
 - 3.1.3 proposals for the Council's strategic response involving establishing more financially sustainable delivery models to enable it to deliver its Vision and essential services in the future, including in terms of (i) "Growing Swindon's Economy" and identifying new forms of funding, (ii) "Going Local", and (iii) "Building Resilience",
 - 3.1.4 proposals to engage and consult with residents, stakeholders and service users on the proposed strategic response,
 - 3.1.5 Budget proposals for 2016/17 as part of the Council's strategic response,
 - 3.1.6 the current forecast out-turn position of the Council's Revenue Budget,
 - 3.1.7 the Council's Change Programmes and their relationship to the Council's finances,
 - 3.1.8 The Council Tax Base and Collection Fund Surplus/Deficit, (i) Council Tax,
 - 3.1.9 the new Social Care Precept, (j) the Local Council Tax (Reduction) Scheme,
 - 3.1.10 proposed changes to Council Fees and Charges for 2016/17,
 - 3.1.11 One-off funding, and

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- 3.1.12 proposed virements.
- 3.2 During his presentation of the report, the Cabinet Member particularly commented on:
- 3.2.1 the report's significance for the Council's and Swindon's future direction, referring to both the financial context in which the Council operated and its proposed strategic response to ensure that essential services could continue to be delivered to residents and that Vision priorities and objectives could be achieved,
 - 3.2.2 the Government's position that by 2020 it anticipated that local authorities would not be receiving a Revenue Support Grant and would be expected to fund local services from Council Tax and from retained Business Rates,
 - 3.2.3 the level of savings that the Council would need to achieve by 2020 and the impact of these levels of savings on both the organisational Council and the manner in which services might be delivered in future,
 - 3.2.4 the unfortunate truth that difficult decisions now had to be made if the Council was to be able to continue to offer quality services to the most vulnerable and to Swindon residents,
 - 3.2.5 the implications of the Government's recent announcement of a "Social Care precept" for Council Tax levels, and
 - 3.2.6 his belief that the proposed strategic response and Budget proposals for 2016/17 would strengthen the Council's ability to achieve its Vision and to deliver essential services in a sustainable way for the future.
- 3.3 Following its consideration of the report, the Cabinet agreed that contents of this joint report be used to engage and consult with residents, stakeholders and service users on the organisational strategic response. *(Copies of the Cabinet report have been circulated previously to all members of the Council and can be viewed on the Council's website).*

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- 3.4 Further to 3.4 above, as part of the Council's budget-setting consultation process, and 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), the Scrutiny Committee is invited to consider the following and to agree any specific recommendations that it might wish to be considered by Cabinet in relation to the Budget setting process for 2016-17:
- 3.4.1 the content of the budget report to the Cabinet meeting on 9th December 2015 ("2016-2020 Direction of Travel, Financial Context and Budget Proposals 2016/17"),

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3.4.2 the particular matters highlighted by the Cabinet Member for Finance, People and Performance, and the Board Director, Resources in their presentation of the report to Cabinet (as set out in paragraph 3.2 above), and

3.4.3 the updated budget position statement made to this meeting ..

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 implications 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 2016/17 budget.

Legal and Human Rights Implications

5.2 There are no such direct implications.

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.

Risk Management

5.5 There are no such direct implications.

6. Consultees

6.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

7.1 Cabinet Report – 8th December 2015 – 2016-2020 Direction of Travel, Financial Context and Budget Proposals 2016/17

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8. Appendices

8.1 None