

Budget Setting Process - 2018-20

Scrutiny Committee

Date: 8th January 2018

Author: Director of Law and Democratic Services

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 over the next three years, within the expected financial context, and the particular processes the Council has adopted to ensure it has a balanced budget for 2018-19 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 Commercialisation, and the Corporate Director of Resources and Growth.

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 Commercialisation, and the Corporate Director of Resources and Growth, 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 2018/19 budget.
- 2.2 Consider what it wishes to report to Cabinet as the outcome of its deliberations on the Budget setting process 2018-19.

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3. Detail

2017/18 Budget Management and Budget Strategy 2018 to 2020

- 3.1 The Cabinet Member for Finance and Commercialisation, Councillor Russell Holland, and the Corporate Director of Resources and Growth, submitted a joint report to the Cabinet meeting on 18th October 2017 setting out a strategic context and framing for the direction of travel of the organisation to deliver the Vision for Swindon over the next three years, within the expected financial context. The report provided an update on the 2017-18 forecast outturn and setting out the approach for addressing the financial challenge in the period to March 2020.
- 3.2 A further report, building on the decisions taken by Cabinet on 18th October 2017, and providing an update on the position in relation to the 2017/18 forecast outturn and the work underway to address the financial challenge in the period to March 2020 through a two-year budget strategy, was submitted to Cabinet on 6th December 2017.
- 3.3 Following its consideration of that report, Cabinet determined:
- 3.3.1 (1) That the in-year forecast outturn position for 2017/18 be noted and that it be also noted that responding management actions are being developed to eliminate the projected year-end overspend.
- 3.3.2 (2) That it be noted that:
- a) The budget strategy will be focussed on the delivery of a two year plan covering both 2018/19 and 2019/20;
 - b) The Local Government Finance Settlement for 2018/19 has yet to be published and therefore the funding assumptions in this report contain levels of uncertainty;
 - c) The tax base for 2018/19 will be 72,898.6;
 - d) The potential funding pressures of meeting the demand for increased school places in future years.
- 3.3.3 That the virements set out in Appendix 2 to the report be agreed.
- 3.3.4 That it be agreed that:
- a) 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 as part of the commercialisation workstream of the Swindon Programme;
 - b) the Local Council Tax Support (reduction) scheme in 2018/19 be unchanged from that for 2017/18, apart from the annual increases in allowances, applicable amounts and non-dependant deductions, which will be increased in line with the national scheme;

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- c) the basis for allocating Council Tax Support Grant to Parish Councils remains unchanged from that for 2017/18;

- 3.4 In accordance with the above decision, that consultation commences for the budget proposals affecting front-line services with the outcome of that consultation being reported to Cabinet in February 2018, prior to considering the final budget to be recommended to Council, 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), 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 Commercialisation, and the Corporate Director of Resources and Growth, 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 to March 2020.
- 3.5 Consider what it wishes to report to Cabinet as the outcome of its deliberations on the Budget setting process in the period up to March 2020.
- 3.6 Copies of the Cabinet reports have been circulated previously to all members of the Council and 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 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 budget in the period up to March 2020.

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.

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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 2018.

Risk Management

- 5.5 There are no such direct implications.

6. Consultees

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

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Cabinet Report – 6th December 2017 – 2017/18 Budget Update and Budget Strategy 2018/20.