

# **Report to the Resources Select Committee**

**Date of meeting: 4 December 2018**

**Portfolio: Finance**

**Subject: Draft General Fund CSB, DDF and ITS lists and Savings Update**



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## **Recommendations**

**To note the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) schedules.**

## **Executive Summary**

The report provides the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) Schedules for 2019/20.

## **Reasons for proposed action**

Members are asked to note the first draft of these schedules and make comments as appropriate.

## **Other options for action**

No other options applicable.

## **Report**

1. The Financial Issues Paper was considered by this Committee at its meeting in July. The report highlighted a number of financial uncertainties and risks facing the Authority including the reductions in Central government funding, Retention of Business Rates, Welfare reform and Transformation.
2. The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that savings of £600,000 were required over the forecast period. The savings are required in 2020/21 and 2021/22 and were identified at £300,000 in each year over and above those previously identified on the growth/savings lists. There is also the need to find £2,500,000 (£1,700,000 General Fund, £800,000 HRA) savings or additional income from the implementation of the people strategy spread over three years beginning in 2018/19.
3. The People Strategy implementation is now underway and an indicative timetable for the process has been formulated. There is now clear momentum behind this process but it is possible that the £437,000 General Fund Target will not be achieved by 31<sup>st</sup> March and some savings originally expected in 2018/19 will fall into 2019/20. There is also a very challenging General Fund target in 2019/20 of £1,058,000. Cabinet have also agreed a change to the parking tariffs which are expected to be implemented by March 2019 which should generate additional ongoing income of at least £300,000.
4. Income from the Shopping Park is showing as a lower figure than previously on the

lists as additional income was accounted for in 2017/18 and therefore forms part of the opening CSB figure rather than in year growth but overall the total CSB is unchanged because of this. There have been a number of other movements within the CSB but broadly the totals over the period of the MTFS last year compared to this are similar.

5. The lists themselves represent bids for growth for 2019/20 and will be submitted to Cabinet and Council during February when if successful will form part of the 2019/20 budget.
6. There has been an exercise over recent years to remove budgets where traditionally underspends have been seen and it is intended to continue with this exercise as part of the budget process. In recent years success has been more limited but it isn't a particularly time consuming exercise.
7. When the Outturn reports were considered during June the DDF programme for 2018/19 plus the carry forwards from 2017/18 put the fund into deficit at the end of 2018/19. However, the DDF is now in balance for 2018/19 mainly due to slippage on the Local Plan budget and a number of other movements so assuming there are no further significant bids should stay solvent over the forecast period.
8. The remaining balance at the end of 2017/18 on the Invest to Save fund has been fully allocated. If further bids come forward the fund will need to be replenished from the General Fund which is currently not allowed for in the MTFS.
9. The schedules of CSB growth/savings, DDF and ITS expenditure are attached and these are at Annexes 1, 2 and 3. Work is on-going on these lists and this represents the position so far. There are likely to be further changes as the budget progresses and things become a bit clearer. An updated list will be tabled at the meeting if there have been any significant changes since the agenda was published.
10. Clearly the emphasis in this budget cycle will again need to be on CSB savings rather than growth. There will inevitably be significant financial challenges ahead and whilst the position for 2019/20 will hopefully be confirmed on 6<sup>th</sup> December the years after that are far less certain. The figures generally need to be viewed in the context of this being quite early in the budget preparation process and will clearly need to be revisited over the next two months or so as the budget comes together.

### **Consultations Undertaken**

This is the first draft of the CSB, DDF and ITS schedules. Consultations with spending officers regarding their budgets are ongoing at the moment but apart from this, further consultation will take place later in the budget cycle.

### **Resource Implications**

The schedules represent potential additions and reductions to the budget depending on decisions made during the budget process.

### **Legal and Governance Implications**

The preparation of budgets well in advance of the financial year to which they apply, enable sound financial planning to take place. They subsequently provide a basis against which financial monitoring can take place during the year in question.

### **Safer, Cleaner, Greener Implications**

The Council's budgets contain spending in relation to this initiative.

## Background Papers

Various budget working papers held in Accountancy.

## Impact Assessments

### Risk Management

The setting of the budget has an impact on all areas of the Council. There is a risk that the budget might be set at an unaffordable level. However, setting guidelines early in the process means that the level of budget that is acceptable is known in advance.

### Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process? None

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group? N/A

## Due Regard Record

This item shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Date / Name	Summary of equality analysis
5/11/18	There are no equality implications arising from the recommendation of this report.
Assistant Director of Resources	The report contains growth and savings proposed for the Revised 2018/19 and Original 2019/20 budget. The most significant items will have been the subject of a Cabinet report which would have considered any equality implications as part of that report.