

**Draft Medium Term Financial Strategy (MTFS) 2019-20 to 2022/23, Draft Revenue Budget 2019/20, Draft Capital Strategy 2019/20 and Draft Treasury Management Strategy Statement 2019/**

**Comments for consideration by Cabinet 29 January 2019**

**Comments from all member session held on 9 January 2019**

Questions were asked about the proposed increase in Council Tax and whether national government had a realistic view of the pressures being faced by local government to provide services. A question was also asked about whether the government could be lobbied to remove the Council Tax capping limit so that local decisions could be made without any pre-determination of a Council Tax increase.

Questions were asked about the capital programme, the borrowing requirements and revenue commitment to fund the debt. Members were assured that the detail of the figures are included in the budget report but that the programme remains within the financial envelope approved at County Council in February 2018.

Concerns were expressed that the savings decisions already taken could result in increased expenditure in other budget areas and that this needs to be fully explored. This was raised again by Members with specific reference to decisions pre-viewed by the Health and Adult Social Care Select Committee in December 2018. Members were concerned that the unintended consequences, risks and costs have not been fully identified and reviewed. Other members also expressed concern regarding other savings decisions and the need for comprehensive financial and risk assessments being needed for all savings decisions. It was explained that risks and financial implications are identified by officers when pulling together a business case and that a summary of the findings should be included as part of a decision report.

Some concerns were expressed about decisions being taken forwards before scrutiny or a published decision, this was with particular reference to the Intervention and Prevention Team, and also recommendations from scrutiny not being taken into account. Members were assured that the correct governance processes are being followed.

Clarification was sought around the additional £19m received through the Business Rate Retention scheme and whether this had to be spent in 2019/20. Officers explained that this money was to be spent on the digitisation project and could be spent over a few years. The project is being developed and the profiling of expenditure would take place as part of the project planning, at the moment £1m is expected to be spent in 2019/20.

Members asked questions about the transformation programme and the implications this has for staffing numbers. Officers explained this is work in progress and would be reported through the 6mthly up-dates presented to PFSC as part of the Total Performance Monitor.

## **Comments from Performance and Finance Select Committee 17 January 2019**

### **Medium Term Financial Strategy**

The committee welcomes bringing the work and review of savings proposals forward in 2020/21 in order to enable earlier consultation with stakeholders and input by the wider membership. The committee also supported the need for increased consultation and dialogue with all those affected and stressed the need for full impact assessments, including finance and risk, to take place.

The committee would like to see the Cabinet looking at more innovative ways to raise revenue as well as identifying savings to be made. They would like to see a balance between savings and increased revenue.

Cabinet Board need to look closely at proposals in relation to Council Tax and any future increases.

Need to continue to lobby Government for extra funding.

Recognise a dependency on Business Rate revenues in future which should be closely monitored.

### **Revenue Budget Proposals**

Committee reiterated the need to continue to exert pressure on Government in relation to funding streams, particularly in relation to Adult Social Care and Education Fair Funding review.

#### Whole Council Design

- Need clear measurements to show how effectiveness and staff productivity has been improved.
- Outcomes achieved should be shared with members.
- Need a process put in place to monitor the progress of the programme (TPM)
- Welcome the member day on 22 March and encourage all to attend

Concerns were expressed over the savings included in the papers in relation to the Fire Intervention and Prevention Team, particularly the 'drive safe, stay alive' programme. Before any savings are made a review of alternative service provision is needed to ensure the service continues.

Re-iterated the need to review the savings proposals and identify any alternatives for providing services and also the need to undertake appropriate stakeholder engagement earlier in the budget process.

Members raised a number of queries around the Community Initiative Fund (CIF) and welcomed the future review that would be scrutinised by the Environment, Communities and Fire Select Committee.

### **Capital Strategy**

Raised the need to look carefully at property investments and returns. Each case should be considered separately in terms of risks. If appropriate scrutiny of

individual business cases should take place.

### **Treasury Management Strategy**

The committee raised a reminder to all members that when considering and reviewing the capital programme the revenue implications of borrowing need to be considered.

### **Overview**

Concerns were expressed regarding the risks around the savings decisions for:

- Local Assistance Network,
- Supported Housing,
- Integrated Prevention and Early Help (IPEH) Team
- Search and Rescue
- CIF funding
- Reduction of Youth Services
- Solar farms
- Income Generating Initiative (IGIs) property investments.

Commented that possible further savings may be found in the Communications budget.