



SPECIAL CABINET

4 February 2015

Subject Heading:

Revisions to the Council's Financial Strategy

Cabinet Member:

Cllr Roger Ramsey

CMT Lead:

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Policy context:

The Council is required to approve an annual budget and this report considers possible changes to the draft financial strategy in response to the budget consultation. If agreed these changes would be included within the draft budget recommended to Council by Cabinet in February 2015

Financial summary:

The estimated costs associated with the proposed changes to the strategy amount to £284k in 2015/16 (rising to £561k in 2016/17) and can be met from the headroom identified in the 21st January Cabinet Report.

Is this a Key Decision?

No

Is this a Strategic Decision?

No

When should this matter be reviewed?

December 2015

Reviewing OSC:

Scrutiny Board

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[X]
Championing education and learning for all	[X]
Providing economic, social and cultural activity in thriving towns and villages	[X]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[X]

SUMMARY

Cabinet received the Financial Strategy Report on 21st January 2015 that provided an update on the local government financial settlement and the results of the public consultation exercise in relation to its budget proposals which were considered by cabinet on 3rd September 2014.

As requested by Cabinet and in response to the public consultation this report considers proposals to make changes to a number of the budget proposals. The report also gives consideration to the impact of these changes to the budget strategy.

RECOMMENDATIONS

Cabinet is asked to:

1. Consider and approve the revised budget savings options set out in Appendix A.
2. To approve the Libraries Strategy attached at Appendix C.
3. Approve that the Leader in conjunction with the Lead Member Environment, will consider whether any parks and open spaces should be exempt from the car parking charges on the grounds laid out in the report and whether any alternative charges might apply to certain organisations whose currently have significant use of a car park in a park or open space.

REPORT DETAIL

1. INTRODUCTION

- 1.1. Cabinet has previously received three reports on progress with the Corporate Budget, in May and September 2014 and most recently January 2015. This report considers a number of changes to the draft strategy in response to the budget consultation.
- 1.2. The public consultation on the 2015 proposals – launched on 29th September 2014 and ran for three months, closed on 29th December. Simultaneously, the Council undertook specific statutory consultations on proposals related to the Library service and to Parking. (Note that the library consultation was extended to 5th January owing to a technical issue with the online form). A

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further statutory consultation is expected to be carried out in respect of the Youth service later in the year.

2. CONSULTATION RESPONSE

2.1 The results from the consultation process were reported extensively to Cabinet on 21st January 2015.

2.2 In response to the consultation Cabinet on the 21st January 2015, requested that a number of the budget proposals be reconsidered. The proposed revised options are included at Appendix A along with the appropriate updated Equality Impact Assessments, and are summarised below.

2.3 Libraries

- 5 Libraries to each be open 50 hours per week. (An increase from four in the original proposal) Upminster is proposed as this is currently the third busiest Library.
- The 5 other libraries to be open 24 hours per week.
- Additional staff time to be made available at the busiest libraries.
- Retain one post for local studies.
- Retain a reader development post to deliver the summer reading challenge.
- Replace computer charges with increased fines.
- Housebound service to be run by volunteers.

2.4 The impact of these proposals is to reduce the level of savings achievable in 2016/17 by £244k.

2.5 The libraries strategy has been updated to reflect these proposals and is also attached for approval.

2.6 Youth Services

- To support the development of a newly created Youth Trust. (An Employee Led Mutual)
- Management of Myplace to be included within the Trust's remit.
- Savings would be achieved through alternative management arrangements.
- To explore the development of a partnership with the YMCA.

2.7 Following the mapping of the service offering, the Council would provide a budget to commission the Youth Trust to do targeted work. This will come back for full consultation and approval during the coming financial year. At this stage the original proposed savings target for 2015/16 of £250k is being removed to enable this to happen.

2.8 Changes to Parks Parking

- Some parks sites are not considered viable for implementation of the charging policy. The Leader in conjunction with the Lead Member

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Environment, will consider whether any parks and open spaces should be exempt from the car parking charges, taking account of the size of the car park; the investment required to bring it up the required standard, and the level of income that could be achieved.

- Changes in rates to be amended to reflect the needs of sports groups. The Leader in conjunction with the Lead Member for Environment, may also consider whether alternative charges might apply to certain organisations who currently have significant use of a car park in a park or open space.
- Otherwise charges amended to:
 - 20p for three hours and 50p for 5 hours proposed (Mon-Fri 8am-6:30pm)
 - Free Saturday, Sunday and Bank Holidays.

2.9 The financial impact of these changes is not considered material to the original proposal although it will need to be kept under review in the first year as the policy is progressed.

2.10 This will also enable us to review the overall impact of changes in parking charges for future budgets, and to be able to consider options around Christmas and Bank Holiday parking.

2.11 Queens Theatre

- To phase to cumulative savings of £200k evenly over three years rather than the initially proposed two years, giving the Theatre more time to make the necessary changes to their operating model.

2.12 As identified in the 21st January 2015 Cabinet report, there are a number of adjustments to the overall strategy, which created some headroom for the considerations in this report. A full break down of the Councils budget will be provided in the Council Tax Setting report.

3 SCRUTINY AND BUDGET STRATEGY

3.1 Should Cabinet be minded to recommend these changes, they will be subject to scrutiny at the specially arranged Scrutiny Board meeting on the 5th February.

3.2 Due to the timing of the decision making the formal Council Tax setting Cabinet report will already have been published before this meeting and the Scrutiny Board have met to consider the recommended changes. The Council Tax report has been written assuming these changes are agreed, and either a later report or verbal update will be provided to Cabinet on the 11th February if required.

REASONS AND OPTIONS

Reasons for the decision:

This enables the Council to adapt its financial strategy in response to the public consultation and to develop its budget as set out in the constitution.

Other options considered:

None. The Constitution requires this as a step towards setting its budget.

IMPLICATIONS AND RISKS

Financial implications and risks:

The cost of these revised proposals amounts to £284k in 2015/16 rising to £561k in 2016/17. These costs can largely be met from the additional items referred to in the 21st January 2014. Cabinet report. In addition, to fund the delay in the Queens Theatre, some one-off capital expenditure that was being funded through a revenue contribution to capital can now be funded through capital.

There are significant risks associated with the delivery of the draft financial strategy given the continuing degree of uncertainty over the future of local Government funding, and the general economic environment. The draft strategy is intended to achieve a balanced budget for the years 2015/16 and 2016/17. The specific options considered in this report carry with them financial and operational risks but the changes can be accommodated within the draft strategy.

However, it will also be necessary to continually refine the financial forecasts underpinning the Council's financial strategy to ensure that any necessary actions can be taken at the appropriate times, allowing for consultation as appropriate.

Legal implications and risks:

There are no direct legal implications or risks from this report. The corporate business planning process will need to take account of new and existing statutory duties and responsibilities that are imposed on the Council by central government even if there are inadequate or no commensurate increases in government funding to finance them. Failure to do so will put the Council at risk of legal challenge by affected residents or businesses.

Human Resources implications and risks:

There are no direct HR implications arising from this report, however, where proposals require staffing reductions, as a result of the budgetary position, these will be managed in accordance with Council policy and procedures.

Equalities implications and risks:

The above outlined proposals have been subject to individual Equalities Impact Assessments (EIAs), as part of the detailed budget planning and decision-making process. It's worth noting that the proposal to commission a Youth Trust is still at planning stage and will be subject to a full EIA, consultation and approval during the next financial year. We have therefore only completed an EIA Checklist for it at this stage.

The EIAs relating to these specific proposals are included at Appendix B.

BACKGROUND PAPERS

The Financial Strategy reports to Cabinet on 3 September 2014 and 21 January 2015.

APPENDICES

APPENDIX A – Revised budget savings templates

APPENDIX B – Equalities impact Assessments

APPENDIX C – Libraries Strategy