

RECORD OF EXECUTIVE DECISION

Wednesday, 15 February 2017

Decision No: (CAB 16/17 18454)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	FINANCE
SUBJECT:	THE REVISED MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21 INCLUDING THE GENERAL FUND REVENUE BUDGET
AUTHOR:	Sue Poynter

THE DECISION

- i) Note the position on the forecast favourable outturn position for 2016/17 as set out in paragraphs 31 to 37.
- ii) Note the revised Medium Term Financial Strategy 2017/18 to 2020/21 as detailed in Appendix 5.
- iii) Note the aims and objectives of the Medium Term Financial Strategy which will be presented to Council for approval on 15 February 2017.
- iv) Note that the revised proposals (following consultation) reduce cost and generate income that amount to £19.6M in 2017/18 increasing to £30.8M in 2018/19.
- v) Note that formal budget consultation began on 16 November 2016 and ended on 8th February 2017. The outcome of the consultation is outlined in paragraphs 103 to 110 and in Appendix 1.
- vi) Note that the Executive's budget proposals will impact on staffing and that consultation will be undertaken in line with legislation and the Councils agreed processes before proposals are implemented.
- vii) Note that the Executive's budget proposals are based on the assumptions detailed within the MTFs and that this includes a Council Tax increase of 4.99 %, 1.99% under general powers to increase Council Tax without a referendum and 3.00% Social Care Precept in 2017/18 and 2018/19.
- viii) Note and approve the arrangements made by the Leader, in accordance with the Local Government Act 2000, for the Cabinet Member for Finance to have responsibility for financial management and budgetary policies and strategies, and that the Cabinet Member for Finance will in accordance with the Budget and Policy Framework Rules as set out in the Council's Constitution, be authorised to finalise the Executive's proposals in respect of the Budget for 2017/18 and 2018/19, in consultation with the Leader, for submission to full Council 15 February 2017.
- ix) To delegate authority to the Service Director – Finance & Commercialisation (S151 Officer), following consultation with the Cabinet Member for Finance, to do anything necessary to give effect to the proposals contained in this report and any implications from the Final Local Government Finance Settlement
- x) Approves and recommends to Council where appropriate, the MTFs and General Fund Revenue Budget changes as set out in Council recommendations i) to xiv).

It is recommended that Council:

- i) Notes the budget consultation process that was followed as detailed in Appendix 1.
- ii) Notes that the budget consultation feedback has been taken into consideration by the Cabinet and has informed their final budget proposals.
- iii) Notes the Equality and Safety Impact Assessment process that was followed as set out in paragraphs 115 to 117 and the details contained in Appendix 2 which reflect the feedback received through the consultation process.
- iv) Note the position on the forecast outturn position for 2016/17 as set out in paragraphs 31 to 37.
- v) Approves the revised Medium Term Financial Strategy (MTFS) for the period 2017/18 to 2020/21 including the General Fund Revenue Budget attached as Appendix 5.
- vi) Approves the revenue pressures detailed in the Outcome Plans in Appendix 3.
- vii) Approves the savings proposals as set out in the Outcome Plans as detailed in Appendix 3.
- viii) Approve the General Fund Revenue Budget for 2017/18 and 2018/19 as detailed in the Annex 1 of the MTFS in Appendix 5.
- ix) Delegates authority to the Service Director Finance and Commercialisation (S151) Officer to action all budget changes arising from the approved pressures, savings and incorporating any other approved amendments into the General Fund Estimates.
- x) Notes that after taking these items into account, there is an estimated General Fund Balance of £11.3M at the end of 2017/18 as detailed in paragraph 84.
- xi) Delegates authority to the Service Director – Finance & Commercialisation (S151 Officer), following consultation with the Cabinet Member for Finance, to do anything necessary to give effect to the proposals contained in this report and any implications from of the Final Local Government Finance Settlement
- xii) Sets the Council Tax Requirement for 2017/18 at £88.48M as per Appendix 6.
- xiii) Notes the estimates of precepts on the Council Tax collection fund for 2017/18 as set out in Appendix 7.
- xiv) Delegates authority to the Service Director – Finance & Commercialisation (S151 Officer) to implement any variation to the overall Council Tax arising from the final notification of the Hampshire Fire and Rescue Authority precept and the Police and Crime Commissioner for Hampshire, precept.

REASONS FOR THE DECISION

1. The Council is a large organisation managing the delivery of a vast range of businesses either directly or through/with others. Its core purpose is to improve the quality of life for residents and effective financial management is key to this. It is important that Members are aware of the major financial challenges and opportunities and that they make informed decisions. The Council regularly revises its Medium Term Financial Strategy (MTFS) so that the financial position is clear for budget proposals to be drawn up for the forthcoming years. However in light of the proposed changes to funding from Central Government by 2019/20, it is important for the Council to set out its budget proposals and emerging ideas for savings in the context of the MTFS over a four year period 2017/18 to 2020/21.
2. The Cabinet wants to channel the decreasing resources towards agreed priority outcomes and to do this properly and transparently requires a different approach through focusing on Outcomes Based Planning and Budgeting (OBPB).

3. Many of the proposals will have some impact on services users, residents, businesses, partners and staff. Therefore it is important for the Council to consider the feedback of the consultation that has been undertaken with a range of stakeholders.

4. The Constitution requires the Executive to recommend its budget proposals for the forthcoming year to Full Council. The recommendations contained in this report set out the various elements of the budget that need to be considered and addressed by the Cabinet in preparing the final papers that will be presented to Full Council.

DETAILS OF ANY ALTERNATIVE OPTIONS

1 Alternative options for revenue spending and MTFS assumptions form an integral part of the development of the overall MTFS that will be considered at the Full Council budget setting meeting on 15 February 2017.

2 The proposals presented in this report represent the Executive's budget for the period 2017/18 – 2020/21. The Cabinet have considered and rejected some proposals put forward by officers as they were not considered to align with the Executive Commitment. In addition there are a number of variables and alternative options that could be implemented as part of the budget. These have been considered following the consultation feedback.

3 Part of setting the General Fund Budget and Medium Term Financial Strategy and Model requires a view to be taken on the revenue cost of capital to the Council. Proposals have been considered by the Council Capital Board in order to ensure the most appropriate use of capital resources in meeting the Council's priority outcomes and Executive commitments. A Capital Strategy and Programme Update report is included elsewhere on the agenda, and the latest position is included in the MTFS Model.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

- In total 14 responses to the consultation on Southampton City Council's proposed budget were received after the end of the written consultation but before the end of the full consultation.
- This means in total there were 1,512 responses to the consultation.
- The 1,498 responses received during the written consultation are summarised in Appendix 1 of the Cabinet paper.
- Of the 14 responses in this period eight were emails, five were letters and one was a letter with a petition.
- Eight responses were from individuals and five were on behalf of organisations. There were a range of comments in the feedback and some responses included comments on more than one issue.
- Feedback from organisations:
 - One commented on the move to alternate weekly waste collections and the need for enforcement and close working with street cleansing teams.
 - One response which also included a petition with 157 signatures seeking for the redesign of the short-breaks service to happen without a

reduction in the budget.

- Two comments were about proposals from the public health and commissioning information sheet, these covered concerns about the appropriate adult scheme, emergency contraception, LARC and HIV services.
- Two comments were specifically about proposals relating to children's services, one was questioning what the proposed youth hub within the redesigned integrated early help service would achieve beyond what is already available in the city and the other raised concerns around how changes to management roles, the out of hours service, translation services and structures may be implemented and the possible impacts of these changes.
- One response was about adult social care provision, which focused on the big picture and asked whether the proposed cuts were sustainable given growing demands and an aging population.
- Feedback from individuals:
 - Three comments were about the proposal to move to alternate weekly waste collections; one respondent was against implementation in flats, one was supportive but felt there was a need to manage food waste and one was unsupportive.
 - One comment were about adult social care provision and focused on the potential combined impact of a range of proposals on people with learning disabilities and mental health issues.
 - Two comments called for more thought to be given to cycling infrastructure as a part of the budget to help address air quality issues.
 - One comment was about the risks of proposals relating to alcohol and substance misuse services.
 - One comment was specifically about the impacts on libraries of the reduction of printed information available from the council and questioned if increasing opening hours with no staff would exclude vulnerable people from the increased opening times.
 - One comment dealt with the proposals at a general level and was supportive of the overall approach and budget direction.

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 15 February 2017

Decision Maker:
The Cabinet

Proper Officer:
Pat Wood

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*