

Housing, Finance & Corporate Services Policy and Scrutiny Committee Briefing

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Briefing of: Cabinet Member for Finance & Corporate Services

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1. Finance

1.1 Monthly Monitoring

The Council continues to complete monthly monitoring of its capital and revenue budgets throughout the year. This includes on-going review and monitoring of savings proposals approved for 2015/16 along with the same for pressures, mitigations and inflation. The Council reviews variations to budget but also risks and opportunities throughout the year and is currently forecasting a revenue underspend at year end. Elements of the capital programme are being re profiled into 2016/17 reflecting the current position on planned schemes

1.2 Medium Term Planning and Budget Process

At the time of writing the local government finance settlement has yet to be received and thus in order to make the necessary preparations, the Council has had to make assumptions around the level of cuts faced on a year by year basis, service area pressures and inflationary pressures on both contracts and salaries. The Council has consequently determined that savings in the order of £33m and £34m will be required in 2016/17 and 2017/18 respectively.

1.3 Current Status

The Council has been pursuing a Medium Term Planning (MTP) process to identify proposals which deliver savings or additional revenue in order to meet the above savings requirements. Proposals for 2016/17 are currently being identified to meet the target in full in order that the budget for 2016/17 will be balanced. The proposals for 2017/18 are likewise being worked on.

Officers continue to undertake a review of all the proposals to work up the necessary action plans, Equality Impact Assessments, invest to save and capital investment requirements and potential redundancy implications, in order to inform the detailed budget setting process for 2016/17. Proposals will be reviewed in detail in order to make further refinements before finalising.

The savings will be presented to the Budget Performance Task Group for scrutiny, before being submitted to Cabinet in February 2016 and then Full Council for final approval on 2nd March 2016.

2 Corporate Services

The Managed Service Programme has a further series of demanding targets to deliver January 2016.

Progress with these activities is picking up and work continued over the Christmas period. The activities include further reconciliation activity, the provision of pension data and clearance of incidents that relate to prior periods.

BT have increased the level and capability of resources dedicated to the project. Work continues to improve the services provided to schools and more generally to prepare for financial year end

3 Corporate Property

Approximately £150m of assets have been sold this year or are under offer to be sold. Part of this receipt will fund the capital programme and part will fund further enhancement of the property investment portfolio, or related development programme. An extensive programme of development of Council assets is in feasibility or design stage aimed at providing outcomes to deliver enhanced facilities for community use, housing, mixed use and commercial accommodation to generate increased revenue for the Council. The investment portfolio is maintaining low levels of unpaid debt (c. £350k) having recovered c. £5m over the last 18 months. The portfolio has a void rate (eg: vacant property) of 1.8%, most of which is subject to refurbishment and planning prior to being offered for re-letting.