

Summary Sheet

Council Report

Title: Budget 2016/17 and MTFS Progress Update

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Stuart Booth, Interim Strategic Director of Finance & Corporate Services

Report Author(s)

Pete Hudson, Chief Finance Manager

Ward(s) Affected

All

Executive Summary

This report recommends that Budget Savings Proposals of £1.289m for the period 2016/17 to 2018/19 in respect of the Advisory Cabinet Portfolio of Waste, Roads and Enforcement be considered by the Overview and Scrutiny Management Board (OSMB).

Where savings proposals are supported in principle, detailed equalities impact assessments and/or consultation will be undertaken, as required.

The aim is to produce a draft Medium Term Financial Strategy (MTFS) by November 2015, in line with the timescales included in the Corporate Improvement Plan

Recommendations

For Overview and Scrutiny Management Board to consider the proposals attached at Appendix 1 and provide any feedback they wish to make before it comes back for a final Commissioner decision.

List of Appendices Included

Appendix 1 - Advisory Cabinet Portfolio of Waste, Roads and Enforcement Savings Proposals

Background Papers

Budget 2016/17 and MTFS Progress Update Report to Commissioner Manzie's Decision making meeting – 23rd September 2015.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

This report will be referred on to Overview and Scrutiny Management Board (OSMB)

Council Approval Required

Ultimately Full Council approval will be required for setting the 2016/17 Budget.

Exempt from the Press and Public

No

Title (Main Report)

1. Recommendations

1.1 For Overview and Scrutiny Management Board to consider the proposals attached at **Appendix 1** and provide any feedback they wish to make before it comes back for a final Commissioner decision.

2. Background

2.1 This is the second of a series of reports containing budget savings proposals for the period 2016/17 to 2018/19 which if supported, will help deliver the Council's estimated minimum financial challenge of £41.083m over the next three financial years.

2.2 The savings contained at **Appendix 1** are specifically in relation to the Advisory Cabinet Portfolio of Waste, Roads and Enforcement.

3. Key Issues

3.1 The Council is required to identify savings proposals and or income generation opportunities to a minimum value of £41.083m over the three years 2016/17 to 2018/19 to deliver a sustainable Medium Term Financial Strategy (MTFS).

3.2 The savings proposals within the attached appendix amount to £1.289m over the three years 2016/17 to 2018/19 and if supported will impact on 16 full time equivalent (FTE) posts.

	2016/17	2017/18	2018/19	3 Years
Value of Savings	£772k	£279k	£238k	£1,289k
Number of FTE posts affected	10.5	4.5	1.0	16.0

4. Options considered and recommended proposal

4.1 The savings proposals in Appendix 1 are recommended for formal consideration.

5. Consultation

5.1 The savings within **Appendix 1** are referred to OSMB for their consideration. Any comments or queries will be referred back to Commissioner Manzie before a “minded to” decision is made.

5.2 All saving proposals will be subject to consultation. The extent of the consultation required will vary by the nature of the proposal. Where proposals have limited impact on customers or partners then the consultation required can be scheduled as soon as possible to bring forward savings in year, where appropriate. The majority of green rated savings fall into this category across all portfolios. The main group affected are employees and the expectation is that managers have already started the discussions about the possible implications of the savings options with the staff concerned.

5.3 For amber and red rated proposals across all portfolios more detailed consultation will be required, for example, with service users and partners, as well as staff. In such cases, savings proposals where the consultation can take place as soon as possible will be identified to maximise the chances for the exercise to be completed before the end of the current financial year to deliver a full year saving from April 1st 2016. It should be noted however, that there will be more complex savings proposals that have been deferred, are part of a major programme, or have significant impacts on customers, staff and partners which will necessitate more detailed consultation. These proposals are being identified and managers will be advised individually on the options available to them in order for the correct consultation process to be worked up and started as quickly as possible.

6. Timetable and Accountability for Implementing this Decision

6.1 These budget proposals will, if supported, contribute to the Council setting its Council Tax and Revenue Budget for 2016/17 on 2nd March 2016.

7. Financial and Procurement Implications

7.1 Addressing the financial challenge over the next three years is critical for the Council. These proposals, if supported, would contribute to delivering that challenge.

7.2 The financial implications of the proposals are set out in **Appendix 1**.

8. Legal Implications

8.1 In preparing its MTF5 and Budget, the Council must be mindful of the potential impact on service users. Section 149 of the Equality Act 2010 in particular imposes an obligation on Members to have due regard to protecting and promoting the welfare and interests of persons who share a relevant protected characteristic (such as: age; disability; gender re-assignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation).

8.2 The Council is required to set its Council Tax, and in doing so set its 2016/17 budget, by no later than 10th March 2016.

8.3 Where appropriate, savings proposals will be subject to consultation with the public, partners, clients and employees.

9. Human Resources Implications

9.1 The Council currently employs 4,138 full time equivalents (5,760 people). Research shows that the best way of receiving information by any workforce is from their manager or team leader. However it is also important to give out consistent corporate messages. Regular Budget Bulletins to communicate the budget process to the workforce is in place and staff will continue to be appraised of decisions as they are taken and/or of timescales for decisions to be taken.

9.2 The savings proposals in Appendix 1 have a potential impact on 16 FTE posts over the next three years.

10. Implications for Children and Young People and Vulnerable Adults

10.1 Not applicable

11 Equalities and Human Rights Implications

11.1 Detailed Equalities Assessments will be undertaken where there is a requirement to do so.

11.2 Where appropriate, savings proposals will be subject to consultation with the public, partners, clients and employees.

12. Implications for Partners and Other Directorates

12.1 These are contained within **Appendix 1**.

13. Risks and Mitigation

13.1 The Council has identified an estimated budget challenge of £41.083m over the next 3 years. It is imperative that the Council develops and implements a robust MTFs which is sustainable and aligned to the delivery of the Council's key objectives. Although Rotherham Council has a good record of delivering its budget and achieving planned savings, meeting the estimated financial challenge and delivering a balanced budget going forward means that the Council will have to deliver all of the identified savings and with limited margin for variability. Should savings options be rejected, alternatives will have to be identified if the Council is to set a balanced budget and remain within the statutory framework for managing its finances. This adds further potential risk to the budget process.

13.2 It is therefore essential that the Council identifies savings options to eliminate this estimated financial challenge whilst at the same time protecting, to the extent it can, the key services on which the public of Rotherham rely.

14. Accountable Officer(s)

Pete Hudson, Chief Finance Manager (for the report)

Strategic Directors, Assistant Directors and Budget Managers and Budget Holders for the delivery of supported savings proposals.

Approvals Obtained from:-

Strategic Director of Finance and Corporate Services:- Stuart Booth
Interim Director of Legal & Democratic Services:- Catherine Parkinson

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