

EAST HERTS COUNCIL

EXECUTIVE - 28 NOVEMBER 2017

REPORT BY EXECUTIVE MEMBER FOR FINANCE
AND SUPPORT SERVICES

FINANCIAL SUSTAINABILITY UPDATE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To present an update on the Financial Sustainability agenda.

RECOMMENDATIONS TO EXECUTIVE:

(A)	To recommend to full Council that the Financial Sustainability Policy (attached at Essential Reference Paper B) be adopted;
(B)	That a full financial sustainability strategy be developed;
(C)	To receive the feedback from Overview and Scrutiny Committee;
(D)	To delegate the implementation of the projects below to the Head of Strategic Finance and Property upon consideration of sound business cases: <ul style="list-style-type: none">• Exploration of cost recovery approach to fees and charges• Physical Advertising on council assets• Advertising on the council website
(E)	That a working group of officers and members be established to develop and deliver a Community Benefit Lottery.

1.0 Background

- 1.1. Like many local authorities East Herts Council finds itself expected to deliver more and higher quality services while funding from central government reduces.

- 1.2. There is still a lack of clarity about the future of local government funding despite some elements of the funding mix (such as revenue support grant) already having been withdrawn.
- 1.3. Given these challenges a workshop was held in May to enable members to explore alternative funding sources and initiatives which would enable the council to avoid service cuts or the need to breach the council tax increase guidelines set nationally of 2% (or £5 for smaller authorities).
- 1.4. Following this workshop, a member/officer group was established to explore this topic further. The policy attached (**Essential Reference Paper B**) is the result of the work conducted by this group. The work also identified a number of pilot projects for officers to implement in 2017/18, which will start to build financial resilience.
- 1.5. The attached documents were presented to the Overview and Scrutiny Committee on 17 October 2017. A wide-ranging discussion was held, the key points of which are summarised below:
 - There was some concern about the role of the council in activity which is already dominated by the private sector. This concern has been reflected in the revised policy (attached at **Essential Reference Paper 'B'**)
 - There was discussion around the Community Benefit Lottery, with concern around whether it is appropriate for the council to encourage gambling.
- 1.6. In the context of the comments above, the Overview and Scrutiny Committee supported the adoption of the policy, the development of a strategy and, subject to robust business cases, the development of the four initial projects as set out below:
 - Community Benefit Lottery
 - Exploration of cost recovery approach to fees and charges
 - Physical Advertising on council assets
 - Advertising on the Council's website

2. Financial Sustainability

2.1. In order to drive financial sustainability forward in a coherent manner with services engaged in the projects it is recommended to create a financial sustainability strategy following a consultation with services about how they can contribute to the goal.

2.2. If council approves the adoption of a financial sustainability policy work on the strategy will be developed to include other specific initiatives, projects and policies following an internal consultation with services.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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