

## COUNCIL – 11 FEBRUARY 2020

### CORPORATE PLAN AND SERVICE & RESOURCE PLANNING 2020/21 – 2023/24

Report by the Director of Finance

#### RECOMMENDATIONS

1. The Council is RECOMMENDED to:
  - (a) approve the Corporate Plan 2020-2024 as set out in Section 2 and delegate authority to the Corporate Director Customers and Organisational Development in consultation with the Leader and relevant portfolio holder(s) to make appropriate changes to the priorities framework.
  - (b) have regard to the statutory report of the Director of Finance (at Section 3) in approving recommendations c to e below;
  - (c) (in respect of the budget and medium term financial plan) approve:
    - (1) the council tax and precept calculations for 2020/21 set out in Section 4.3 and in particular:
      - (i) a precept of £391,445,480;
      - (ii) a council tax for band D equivalent properties of £1,527.44;
    - (2) a budget for 2020/21 as set out in Section 4.4;
    - (3) a medium term plan for 2020/21 to 2023/24 as set out in Section 4.1 (which incorporates changes to the existing medium term financial plan as set out in Section 4.2;
    - (4) virement arrangements to operate within the approved budget for 2020/21 as set out in Section 4.5;
    - (5) the Financial Strategy for 2020/21 at Section 4.6;
    - (6) the Earmarked Reserves and General Balances Policy Statement 2019/20 at Section 4.7 including
      - (i) the Chief Finance Officer's recommended level of General Balances for 2020/21 (Section 4.7), and
      - (ii) the planned level of Earmarked Reserves for 2019/20 to 2023/24 (Section 4.7.1)
    - (7) the use of Dedicated Schools Grant (provisional allocation) for 2020/21 as set out in Section 4.8.
  - (d) (in respect of capital) approve:
    - (1) the Capital & Investment Strategy for 2020/21 – 2029/30 including the Prudential Indicators and Minimum Revenue Provision Methodology Statement as set out in Section 4.9;
    - (2) a Capital Programme for 2019/20 to 2029/30 as set out in Section 4.9.1 which includes new capital proposals set out in

**Section 4.9.2 and the Highways Maintenance Programme to 2024/25 set out in Section 4.9.3; and**

**(3) the Investment Strategy for 2020/21 set out in Section 4.9.4.**

**(e) (in respect of treasury management) approve:**

**(1) the Treasury Management Strategy Statement and Annual Investment Strategy for 2020/21 at Section 4.9.5 including the Treasury Management Prudential Indicators and the Specified Investment and Non-Specified Investment Instruments.**

**(2) the continued delegation of authority to withdraw or advance additional funds to/from external fund managers to the Treasury Management Strategy Team;**

**(3) that any further changes required to the 2020/21 strategy be delegated to the Chief Finance Officer in consultation with the Leader of the Council and the Cabinet Member for Finance;**

**(f) delegate authority to the Leader of the Council, following consultation with the Director of Finance and the Cabinet Member for Finance, to make appropriate changes to the budget for 2020/21.**

## **Executive Summary**

2. This report is the culmination of the Service & Resource Planning process for 2020/21 to 2023/24. It sets out the Cabinet's proposed budget for 2020/21, medium term financial plan to 2023/24 and capital programme to 2029/30, together with a number of strategies and policies that the Council is required to approve for the 2020/21 financial year.
3. The report is divided into four main sections which are outlined below:
  - Section 1 – Leader of the Council's overview
  - Section 2 – Corporate Plan
  - Section 3 – Statutory Report by the Director of Finance (Chief Finance Officer)
  - Section 4 – Budget Strategy and Capital Programme
4. This report provides an update to the report to Cabinet on 21 January 2020 following the receipt of council tax collection fund.
5. Business rates figures from district councils and the Final Local Government Finance Settlement have not yet been received. If this information is received before 11 February an addendum will be published setting out the implications. In the event that information is received after Council, **recommendation (f)** requests delegation of authority to the Leader of the Council, following consultation with the Director of Finance and the Cabinet Member for Finance, to make appropriate changes to the budget for 2020/21.
6. The budget proposals set out in Section 4 have been updated in the light of latest information. Changes since the report to Cabinet on 21 January 2020 are set out below in paragraphs 11 to 14.

## **Section 1 – Leader of the Council’s overview**

7. Section 1 to follow, will set out the Leader’s speech on the proposed budget.

## **Section 2 – Corporate Plan**

8. Section 2 sets out the new Corporate Plan 2020 – 2024 for the Council.

## **Section 3 – Statutory Report by the Director of Finance (Chief Finance Officer)**

9. Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to report on the robustness of the estimates made in determining the council tax requirement and on the adequacy of the proposed financial reserves. This assessment is set out in Section 3 of the report. Council is required to have regard to this report in making their decisions on the budget.

## **Section 4 – Budget Strategy and Capital Programme**

10. This section sets out the detailed 2020/21 budget and the 2020/21 – 2023/24 medium term financial plan and capital programme to 2029/30, together with the strategies which underpin these such as the financial strategy, capital strategy and treasury management strategy. It includes those matters that the Council must approve as part of the budget setting process, including the council tax requirement and council tax amount for a band D property.

## **Updated Financial Information**

### Collection Fund Surplus

11. Final estimates of the County Council’s share of the council tax collection fund surplus were received by the end of January 2019. The amounts have now been confirmed and the Council will receive £8.609m in 2020/21, £0.350m more than the draft position reported in January 2020.

### Changes to budget proposals

12. The Cabinet has proposed to double the investment in 2020/21 only for the new programme of vegetation clearing, cleaning and other minor activities (Reference 21COM45), adding an extra £0.320m.
13. The remaining £0.030m will be added to General Balances.
14. The changes to the 2020/21 budget and medium-term plan from the report to Cabinet in January 2020 as set out in this report are summarised in the following table:

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
<b>Overall Position per January report (shortfall +/surplus -)</b>	<b>0.000</b>	<b>25.123</b>	<b>0.000</b>	<b>0.000</b>	<b>25.123</b>
Additional Collection fund Surplus (21CM11)	-0.350	0.350			0.000
Increase programme of vegetation clearing (21COM45)	0.320	-0.320			0.000
Additional contribution to general balances (21CM22)	0.030	-0.030			0.000
<b>Revised Overall Position as per Section 4 (shortfall +/surplus -)</b>	<b>0.000</b>	<b>25.123</b>	<b>0.000</b>	<b>0.000</b>	<b>25.123</b>

## Dedicated Schools Grant

15. Due to timing differences in information used by the Department for Education in generating units of funding and latest information available, in applying the National Funding Formula at full factor values, £1.870m of one-off unallocated Dedicated Schools Grant remains for 2020/21.
16. Schools Forum considered the use of this funding at its meeting on 15 January 2020. Their recommendation was to increase the contribution to the Growth fund by £0.600m; and to move the balance of the unallocated funding, of £1.270m to the High Needs block to allocate directly to SEND budgets in schools to specifically support High Needs students. This recommendation was made on the proviso that the Local Authority withdrew the disapplication request made to the Secretary of State for Education to transfer £2.0m from the Schools Block to High Needs in 2020/21. The Cabinet Member for Education & Cultural Services approved these recommendations on 16 January 2020.

## Financial and Legal Implications

17. This report is mostly concerned with finance and the implications are set out in the main body of the report.

## Climate Action Implications

18. The Council has declared a climate emergency and stated the commitment to deliver zero net carbon emissions by 2030. Considering and responding to the climate emergency must be embedded in how the Council operates and in all services the Council delivers. This report provides an overarching framework for our ambitions to reduce carbon emissions, improve transport networks and support healthy communities as part of our commitment to tackle the issue of climate change.

## **Equality and Inclusion Implications**

19. The Equality Act 2010 imposes a duty on local authorities that when making decisions of a strategic nature, decision makers must exercise due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.' An overarching service and community impact assessment (SCIA) which set out a view on the overall impact of the budget proposals included in the Service & Resource Planning report to Cabinet in January 2020.

### **LORNA BAXTER**

Director of Finance

#### Background papers:

- 1) Service & Resource Planning Report to Cabinet 17 September 2020
- 2) Service & Resource Planning Report to Performance Scrutiny Committee 9 January 2020
- 3) Service & Resource Planning Report to Cabinet 21 January 2020

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