

COUNCIL – 11 FEBRUARY 2020
CORPORATE PLAN AND SERVICE & RESOURCE PLANNING
2020/21 – 2023/24

Addendum

Report by the Director of Finance

Executive Summary

1. This addendum sets out the changes to the Cabinet's proposed revenue budget for 2020/21 and Medium Term Financial Plan for (MTFP) 2021/22 to 2023/24 arising from information received after the publication of Council papers on 3 February.

Updated Financial Information

Final Local Government Settlement 2020/21

2. The Final Local Government Settlement 2020/21 was published on 6 February 2020. As expected, there are no changes to the Provisional Settlement published in January.

Flood Defence Levy

3. The Flood Defence Levy has increased by £0.014m to £0.585m.

Business Rates

4. The Section 31 Grant for Business Rate Compensation is expected to be £5.114m in 2020/21, £0.016m lower than expected. The provisional amount for 2021/22 has also been revised down to £3.621m, £0.123m lower.
5. Business Rates Local Allocation has been updated for the information provided by District Councils. The indexation has also been updated over the MTFP for the latest CPI (Consumer Price Index) forecasts.
6. Business Rates Top Up has been updated to reflect the updated information including the latest CPI forecasts and assumptions about the baseline reset for business rate growth.
7. The District Councils' Business Rate Collection Fund Accounts have a net surplus. The County Council's share, to be received in 2020/21 is £0.701m.

Changes to budget proposals

8. The net impact of these changes is an additional £0.566m in 2020/21. It is proposed to add this to balances, taking the total one off contribution to balances in 2020/21 to £3.591m.
9. The shortfall for 2021/22 has also reduced by £0.763m to £24.360m.
10. The changes to the 2020/21 budget and medium-term plan arising from the additional information are summarised in the following table:

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Overall Position per Section 4	0.000	25.123	0.000	0.000	25.123
Flood defence levy	0.014				0.014
Business Rates:	-0.580	-0.197	-0.180	-0.190	-1.147
Contribution to General Balances	0.566	-0.566	0.180	0.190	0.370
Revised Overall Position (shortfall +/surplus -)	0.000	24.360	0.000	0.000	24.360

11. Annex 1 sets out the revised detailed Medium Term Financial Plan (MTFP).

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

Contact Officers: Lorna Baxter – Director of Finance
Tel. 07393 001218

February 2020