

RECORD OF EXECUTIVE DECISION

Tuesday, 19 February 2019

Decision No: (CAB 18/19 23238)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	CABINET MEMBER FOR FINANCE & CUSTOMER EXPERIENCE
SUBJECT:	THE REVISED MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2019/20 to 2022/23
AUTHOR:	Sue Cuerden

THE DECISION

General Fund:

- i) Note the position on the forecast adverse outturn position for 2019/20 as set out in paragraphs 31 to 38.
- ii) Note the revised Medium Term Financial Strategy 2019/20 to 2022/23 as detailed in Appendix 2.
- iii) Note the aims and objectives of the Medium Term Financial Strategy which will be presented to council for approval on 20 February 2019.
- iv) Note that formal budget consultation began on 24th October 2018 and ended on 16th January 2019. The outcome of the consultation is outlined in paragraphs 151 to 155.
- v) To approve in principle the proposal for the closure of Glen Lee Residential Care Home, subject to formal staff consultation and a further report to Cabinet to make a final decision.
- vi) To approve the Adult Social Care Charging Policy as amended following consultation as detailed in Members Room Document 5.
- vii) Note that the Executive's budget proposals will impact on staffing and that consultation will be undertaken in line with legislation and the Council's agreed processes before proposals are implemented. The savings proposals set out in Appendix 1 propose the deletion of 87.31 Full Time Equivalent (FTE) posts, of which 18.33 FTE are vacant, leaving 68.98 FTE at risk of redundancy or TUPE transfer.
- viii) Note that the Executive's budget proposals are based on the assumptions detailed within the MTFs and that this includes a council tax increase of 2.99%, allowable under general powers to increase council tax without a referendum.
- ix) To note that the report identifies additional general fund pressures totalling £17.71M in 2019/2020 as detailed in paragraphs 42 and 55.
- x) To note that further proposals will need to be considered to address the 2020/21 and future years budget gap.

- xi) Notes and recommends to Council to approve a change in the Council Tax – Empty Property Premium as noted in paragraphs 72 to 75.
- xii) Notes and recommends to council where appropriate, the MTFS and General Fund Revenue Budget changes as set out in council recommendations i) to xxi).

Housing Revenue Account:

- xiii) To note that, from 1st April 2019, a standard decrease be applied to all dwelling rents of 1.0%, as set out in paragraph 117 of this report, equivalent to an average decrease of £0.84 per week in the current average weekly dwelling rent figure of £84.39. This will be the final year of the required decreases.
- xiv) To note an increase in weekly service charges as detailed in paragraph 118 from 1st April 2019 (including supported accommodation).
- xv) To note savings totalling of £3.15m in 2019/20 as detailed in paragraph 120.
- xvi) To note and recommend the Housing Revenue Estimates as set out in the report.
- xvii) To note the 30 year Business Plans for revenue and capital expenditure set out in Appendices 7 and 8 respectively, that based on current assumptions are sustainable and maintain a minimum HRA balance of £2.0m in every financial year.
- xviii) To note that 2019/20 is a 53 week rent year and that rental income and service charges payments will be paid by tenants in 49 instalments across this period.

REASONS FOR THE DECISION

The council is a large and complex organisation managing the delivery of a vast range of businesses either directly or through/with others. Its core purpose is to improve the quality of life for residents and effective financial management is key to this. It is important that Members are aware of the major financial opportunities and challenges and that they make informed decisions. The council regularly revises its MTFS so that the financial position is clear for budget proposals to be drawn up for the forthcoming year.

The council has implemented a focused approach on Outcomes Based Planning and Budgeting which looks at utilising decreasing resources towards agreed priorities and outcomes.

The Constitution requires the Executive to recommend its budget proposals for the forthcoming year to full council. The recommendations contained in this report set out the various elements of the budget that need to be considered and addressed by the Cabinet in preparing the final papers that will be presented to full council.

DETAILS OF ANY ALTERNATIVE OPTIONS

Alternative options for revenue spending and MTFS assumptions form an integral part of the development of the overall MTFS that will be considered at the council budget setting meeting on 20th February 2019.

Part of setting the General Fund Budget and Medium Term Financial Strategy and Model, requires a view to be taken on the revenue cost of capital to the Council and proposals have been considered by the council's Capital Board in order to ensure the most appropriate use of capital resources in meeting the council's desired outcomes and the Executive commitments. A Capital Strategy and Programme Update report is included elsewhere on the agenda, and the latest position is included in the MTFS Model.

This report sets out the HRA revenue budgets for 2019/20 and the 30 year HRA business plan covering the period 2019/20 to 2048/49. The proposed changes to rents and other charges are an integral part of the revenue estimates for 2019/20.

Additional alternative options identified in relation to the Care Home, Adult Social Care Charging Policy and HRA Service Charges proposals are set out in full in the Document in Members Rooms relating to each of these proposals respectively.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None.

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 19th February, 2019

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in (*if applicable*) (*this suspends implementation*)

Call-in Procedure completed (*if applicable*)

Call-in heard by (*if applicable*)

Results of Call-in (*if applicable*)