
Subject:	COUNCIL BUDGET 2020/21, MEDIUM-TERM FINANCIAL PLAN 2020/21–2023/24 AND 2020/21 COUNCIL TAX SETTING
Meeting and Date:	Cabinet – 24 February 2020 Council – 26 February 2020
Report of:	Mike Davis, Strategic Director (Corporate Resources)
Portfolio Holder:	Councillor Stephen Manion, Portfolio Holder for Finance and Governance
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To seek approval for the 2020/21 budget and the Medium-Term Financial Plan (MTFP) for 2020/21–2023/24.
To set the Council Tax for 2020/2021.

Recommendation: It is recommended that Cabinet:

- Approve the grants to other organisations as set out in Annex 9 subject to Council approving the 2020/21 budget;
- Approve the various Cabinet recommendations produced at the end of the sections within the attached budget and MTFP, and summarised in Annex 10 to Appendix 1.

It is recommended that Cabinet recommends to Council:

- That the General Fund Revenue Budget, the Capital and Special Projects Programmes, the Housing Revenue Account Budget, the Council Tax Resolution and the content of the MTFP be approved;
- That a Council Tax increase of 2.6% for DDC purposes be approved, resulting in an increase on Band D properties of £4.95 per year and an annual DDC Council Tax of £192.24.
- To note that it is the view of the Strategic Director (Corporate Resources), the Section 151 Officer, that the budget has been prepared in an appropriate and prudent manner and that based upon the information available at the time of producing this report the 2020/21 estimates are robust and the resources are adequate for the Council's current spending plans in 2020/21;
- That the various Council recommendations at the end of the sections within the attached budget and MTFP, and summarised in Annex 10 to Appendix 1, are approved.

1. Summary

- 1.1 This report has been produced to seek approval for the 2020/21 budget and the MTFP for 2020/21 – 2023/24.
- 1.2 If approved by Cabinet, the budget will be presented to Council, together with the resolution to set the Council Tax.
- 1.3 The MTFP also contains a number of other recommendations. These are shown at the end of the sections within the MTFP and summarised at Annex 10.

2. Introduction and Background

- 2.1 As part of its financial management process the Council is required to consider the MTFP and its implications for the Council's service objectives and financial management. The Strategic Director (Corporate Resources), the Section 151 Officer, is required to comment on the robustness of the budget and the adequacy of the reserves. These requirements are addressed in the attached budget and MTFP report.

General Fund Budget

- 2.2 The Council is required to approve a General Fund revenue budget having regard to net expenditure requirements, Government funding, available internal reserves and the yield from Council Tax and the retained element of Business Rates.
- 2.3 The Council has discretion over allocation of resources to service priorities and its use of reserves, and can determine its Council Tax within the constraints as set by Government. The Council has no influence over the level of Government funding, but must have due regard to the capacity to set viable budgets in ensuing years.
- 2.4 Overall, there have been no significant reductions in funding for services and no major changes in staffing levels. Additional resources have been provided for:
- (a) Tourism
 - (b) Climate Change Initiatives

Future Budgets

- 2.5 With regard to the rest of the MTFP, because this is a planning document, adoption of the MTFP does not commit the Council to the forecasts for 2021/22 - 2023/24. These are for planning purposes and are likely to be adjusted in the light of new information or changes in the Council's circumstances and the Council's response to any future savings required.

Council Tax

- 2.6 The Council is required to approve the Council Tax level for the following year. The budget proposes a Council Tax increase of £4.95 for Band D properties. This maintains the lowest District Council Tax in East Kent

Changes to the Budget and MTFP

- 2.7 Since presentation to Cabinet the following changes have been made to the draft budget and MTFP to reflect information that has subsequently become available:
- General Fund:
 - Business rates income updated to reflect the completion of the 2020/21 NDR1 Return, submitted on 31st January 2020;
 - These changes are included in Annexes 1 to 4 and the associated changes to the introduction and General Fund sections.
 - Precepts have been received and the 2020/21 Council Tax Resolution has been completed and included;
 - Capital, Treasury Management and Investment Strategies have been included.

3. Identification of Options

- 3.1 The Council is required to set a budget, and so declining to do so is not an option. Members could choose to change the allocation of resources between services, and that option remains open during the financial year.
- 3.2 Members could also decide to set a different Council Tax level. However consideration should be given to the risk and impact of triggering a Council Tax Referendum if a higher level of Council Tax was proposed, or how any proposals to reduce the level

would be financed in 2020/21 and future years, while ensuring the budget remains robust and reserves sufficient.

4. **Resource Implications**

- 4.1 The revenue budgets and capital plans determine the level of Council Tax and the utilisation of resources for the next year. The MTFP is a key element in the prudent use of resources over the medium term.

5. **Corporate Implications**

- 5.1 Comment from the Section 151 Officer: No further comments to add.
- 5.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make
- 5.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

6. **Appendices**

Appendix 1 – Budget 2020/21 and Medium-Term Financial Plan 2020/21-2023/24

7. **Background Papers**

Budget 2020/21 and Medium-Term Financial Plan 2020/21-2023/24 (Cabinet 3rd Feb 2020)

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