

**Corporate Overview and Scrutiny
Management Board**

22 January 2019

**Medium Term Financial Plan (9),
2019/20 to 2022/23 and 2019/20 Budget**



Report of Corporate Management Team

John Hewitt, Corporate Director of Resources

Lorraine O'Donnell, Director of Transformation and Partnerships

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide Members of the Corporate Overview and Scrutiny Management Board (COSMB) with the Cabinet report of 16 January 2019 (attached at Appendix 2) relating to the Medium Term Financial Plan (9), 2019/20 to 2022/23 and 2019/20 Budget.
- 2 COSMB has prioritised scrutiny of the MTFP and budget as part of the work programme. This special meeting has been arranged to allow COSMB an opportunity to examine the MTFP (9), 2019/20 to 2022/23 and 2019/20 Budget.

Executive summary

- 3 Cabinet's initial proposals on the MTFP (9) 2019/20-2022/23 and Reviews of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Discretionary Rate Reliefs were submitted to COSMB in September 2018. A summary of the discussions and points raised were forwarded to Cabinet for their consideration.
- 4 Cabinet's report of 16 January 2019 includes information on
 - An overview of the Chancellor of the Exchequer's 29 October 2018 Budget Statement
 - Details of the provisional Local Government Finance settlement announced on 13 December 2018

- An analysis of the impact of the Budget Statement and the Local Government Finance Settlement upon the Council's MTFP (9) assumptions and a review of all other budget pressures and savings proposals
- The outcome of the MTFP (9) budget consultation process

Recommendation(s)

5 Members are asked to:

- (a) Consider the contents of the Cabinet report and provide any additional scrutiny comments.

Background

- 6 COSMB considered the update of the development of the 2019/20 budget and MTFP (9) report at their meeting held on 14 September 2018. The report had identified at the time that significant additional savings of £25.37million were required to balance the budget across the 2019/20 to 2022/23 period. Further budget pressures were also identified together with some additional savings proposals.
- 7 COSMB discussed the report in detail and the Head of Corporate Finance and Commercial Services responded to Member questions.
- 8 A summary of the discussion was forwarded to Cabinet with the following issues raised for their consideration:
 - a) Members of the committee had significant concerns about the forthcoming national Fair Funding Review, and how rurality and poverty, both key issues for County Durham, will be taken into consideration. Members of the committee would like reassurance that a strong case for the County will be made, and that specifically there will be feedback on the need to build these two factors into considerations.
 - b) A specific concern regarding the level of available funding for dropped kerb crossings was raised, in light of increasing costs for each adaptation, and requested consideration of whether it would be possible to look at the ability to spend more on this.
 - c) Members emphasised the need to keep lobbying Government in relation to the Fair Funding Review, and to seek early clarity on funding levels.
 - d) Members considered that it was important to press for more funding as part of lobbying of Government.

e) A specific point in relation to funding levels for schools was also brought to the attention of the Committee, and the need to look at the fairness of funding between different schools across the County, in light of changing national policies, given the variation in funding per pupil between schools.

9 Following the presentation of the Autumn Budget to Parliament and the provisional Local Government Finance Settlement published on 13 December 2018 amendments have been made to both the 2019/20 budget and savings requirements across the MTFP (9) period 2019/20 to 2022/23.

Background papers

- Report and minutes COSMB 14 September 2018

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Appendix 1: Implications

Legal Implications

None.

Finance

Financial implications are identified within Appendix 1 of the Cabinet report of 16 January 2019

Consultation

The report includes information on the consultation process.

Equality and Diversity / Public Sector Equality Duty

Equality considerations are built into the approach to developing MTFP (9) as a key element of the process.

Human Rights

Any Human Rights issues will be considered for any detailed MTFP (9) proposals as they are developed and decisions made to take these forward.

Crime and Disorder

None

Staffing

Staffing implications are identified within Appendix 1 of the Cabinet report of 16 January 2019.

Accommodation

None.

Risk

Risk implications are identified within Appendix 1 of the Cabinet report of 16 January 2019.

Procurement

None.

**Appendix 2: Medium Term Financial Plan (9), 2019/20 to 2022/23
and 2019/20 Budget**

Attached as a separate document.