

**Corporate Overview and Scrutiny
Management Board**

13 February 2019

**Medium Term Financial Plan 2019/20 to
2022/23 and Revenue and Capital
Budget 2019/20**



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 an update to support scrutiny of the Medium Term Financial Plan (MTFP) including the Cabinet report of 6 February 2019 (attached at Appendix 2) relating to the Medium Term Financial Plan (9) 2019/20 to 2022/23 and Revenue and Capital Budget 2019/20.
- 2 To provide Members of COSMB with a final opportunity to scrutinise the Council's medium term financial plans prior to consideration by full Council.

Executive summary

- 3 COSMB have held two sessions to scrutinise the development of the MTFP (9) in September 2018 and January 2019. A summary of the points raised at both meetings were fed back to Cabinet and are included in the latest Cabinet report on the MTFP.
- 4 The Cabinet report includes financial information in relation to the 2019/20 revenue budget, MTFP 2019/20 to 2022/23 and the Council's Capital Programme.

Recommendation(s)

- 5 Members are asked to:
- (a) Consider the contents of the Cabinet report and provide any additional scrutiny comments.

Background

- 6 COSMB has prioritised scrutiny of the MTFP and budget as part of the work programme and has previously considered the MTFP on 14 September 2018 and in detail at a special meeting on 22 January 2019.
- 7 A summary of discussions at the September COSMB meeting was forwarded to Cabinet for their consideration. In brief these were:
- a) Significant concerns about the national Fair Funding Review and how rurality and poverty will be taken into consideration.
 - b) A specific concern regarding the level of available funding for dropped kerb crossings in light of increasing costs.
 - c) The need to keep lobbying Government in relation to the Fair Funding Review, and to seek early clarity on funding levels.
 - d) The importance of pressing for more funding as part of lobbying of Government.
 - e) The fairness of funding between different schools across the County in light of changing national policies.
- 8 Cabinet responded to these points and confirmed they shared COSMB concerns on the Fair Funding Review and highlighted their continued lobbying for increased funding. They also shared COSMB concerns around school funding and had lobbied government about the impact the national formula would have on some schools in County Durham.
- 9 Following the special COSMB meeting held on 22 January 2019 further points were raised on the following issues:
- a) The potential reduction in the Council's Public Health grant and impact on the community e.g. on the drugs rehabilitation programme.
 - b) The importance of lobbying government on the Dedicated Schools Grant funding levels to support high needs.
 - c) The need to ensure that changes in the adult care reablement services are monitored closely.

- 10 Full details of the feedback from COSMB are included in the Cabinet's report of 6 February 2019 in Appendix 2, paragraphs 54 – 57.
- 11 The COSMB meeting on 13 February 2019 will consider the Cabinet's report which provides information on:
- Local Government Settlement
 - Fair Funding Review
 - Consultation and Outcomes
 - Scrutiny Committee Feedback
 - MTFP Strategy
 - Revenue Budget to 2019/20
 - Base Budget Provisions 2019/20
 - Additional Investments
 - Savings Methodology
 - 2019 Net Budget requirement and Council Tax
 - MTFP 9 2019/20 to 2022/23
 - Capital Budget 2018/19 to 2021/22
 - 2019/20 Savings Proposals
 - Equality Impact Assessment of MTFP
 - Workforce considerations and Pay Policy
 - Risk Assessment
 - Dedicated Schools Grant and School Funding 2019/20
 - Discretionary Rate Relief
 - Prudential Code, Treasury Management and Property Investment
- 12 The Executive Summary of Cabinet's report highlights the current financial challenges faced by the Council and the significant uncertainty due to the outcome of the Fair Funding Review which will not be known until late 2019.
- 13 The Head of Corporate Finance and Commercial Services will be in attendance to present and respond to Member questions.

Background papers

- Report and minutes COSMB 14 September 2018 and 22 January 2019.

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Appendix 1: Implications

Legal Implications

None.

Finance

Financial implications are identified within Appendix 1 of the Cabinet report of 6 February 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 6 February 2019.

Accommodation

None.

Risk

Risk implications are identified within Appendix 1 of the Cabinet report of 6 February 2019.

Procurement

None.

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

Attached as a separate document.