

Phil Norrey  
Chief Executive

To: The Chair and Members of the  
Cabinet

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

(See below)

Your ref :  
Our ref :

Date : 7 February 2019  
Please ask for : Karen Strahan, 01392 382264

Email: karen.strahan@devon.gov.uk  
:

## **CABINET**

**Friday, 15th February, 2019**

A meeting of the Cabinet is to be held on the above date at 10.30 am in the Committee Suite - County Hall to consider the following matters.

P NORREY  
Chief Executive

## **AGENDA**

- 7 Revenue Budget, Medium Term Financial Strategy 2019/2020 - 2022/2023 and the Capital Programme for 2019/2020 - 2023/2024 (Pages 1 - 4)

Covering Report of the County Treasurer (CT/19/5) on the Council's Budget for 2019/2020, attached.


*Electoral Divisions(s): All Divisions*

*Notice of all items listed above have been included in the Council's Forward Plan for the required period, unless otherwise indicated. The [Forward Plan](#) is published on the County Council's website.*

*Notice of the decisions taken by the Cabinet will be sent by email to all Members of the Council within 2 working days of their being made and will, in the case of key decisions, come into force 5 working days after that date unless 'called-in' or referred back in line with the provisions of the Council's Constitution. The Minutes of this meeting will be published on the Council's website, as indicated below, as soon as possible.*

*Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s).*

*Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.*

<b>Membership</b>
Councillors J Hart (Chair), S Barker, R Croad, A Davis, R Gilbert, S Hughes, A Leadbetter, J McInnes and B Parsons
<b>Cabinet Member Remits</b>
Councillors Hart (Policy, Corporate and Asset Management), Barker (Resources), Croad (Community, Public Health, Transportation & Environmental Services), Davis (Infrastructure Development & Waste), R Gilbert (Economy & Skills) S Hughes (Highway Management), Leadbetter (Adult Social Care & Health Services), McInnes (Children's Services & Schools) and Parsons (Organisational Development & Digital Transformation)
<b>Declaration of Interests</b>
Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.
<b>Access to Information</b>
Any person wishing to inspect the Council's / Cabinet Forward Plan or any Reports or Background Papers relating to any item on this agenda should contact Karen Strahan, 01392 382264. The Forward Plan and the Agenda and Minutes of the Committee are published on the Council's Website and can also be accessed via the Modern.Gov app, available from the usual stores.
<b>Webcasting, Recording or Reporting of Meetings and Proceedings</b>
The proceedings of this meeting may be recorded for broadcasting live on the internet via the 'Democracy Centre' on the County Council's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public. For more information go to: <a href="http://www.devoncc.public-i.tv/core/">http://www.devoncc.public-i.tv/core/</a>
In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chair. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.
Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall. For information on Wi-Fi availability at other locations, please contact the Officer identified above.
<b>Questions to the Cabinet / Public Participation</b>
A Member of the Council may ask the Leader of the Council or the appropriate Cabinet Member a question about any subject for which the Leader or Cabinet Member has responsibility. Any member of the public resident in the administrative area of the county of Devon may also ask the Leader a question upon a matter which, in every case, relates to the functions of the Council. Questions must be delivered to the Office of the Chief Executive Directorate by 12 noon on the fourth working day before the date of the meeting. The name of the person asking the question will be recorded in the minutes. For further information please contact Karen Strahan on 01392 382264 or look at our <a href="#">website</a>
<b>Emergencies</b>
In the event of the fire alarm sounding leave the building immediately by the nearest available exit, following the fire exit signs. If doors fail to unlock press the Green break glass next to the door. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.
<b>Mobile Phones</b>
Please switch off all mobile phones before entering the Committee Room or Council Chamber
<b>If you need a copy of this Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Information Centre on 01392 380101 or email to: <a href="mailto:centre@devon.gov.uk">centre@devon.gov.uk</a> or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.</b>
 Induction loop system available

CT/19/05

Cabinet

15th February 2019

## **REPORT ON THE REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2019/20 - 2022/23 AND THE CAPITAL STRATEGY 2019/20 - 2023/24**

**Report of County Treasurer**

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

### **Recommendations:**

It is recommended that Cabinet:

- 1) Have full regard to the responsibilities placed upon the Council in the exercise of its Public Sector Equality Duty under s149 of the Equality Act 2010 (as set out in the 'Budget 2019/20 Impact Assessment' circulated previously for the purposes of this meeting, and specific impact assessments undertaken as part of the budget's preparation) in considering the proposals and their impact, before making a decision;
- 2) Have regard to the views of the Council's Scrutiny Committees, the Devon Education Forum, the Business Community, the Voluntary Sector, and the Trades Unions and other consultees on the budget (set out elsewhere on the agenda);
- 3) Note the Final Settlement Funding of £101.542 millions;
- 4) Approve the budgets (pages 39 to 89) within the targets set;
- 5) Recommend to Council the Net budget of £509.988 millions as set out in Key Table 1 on page 8;
- 6) Recommend to Council that a 1% Adult Social Care Precept is set as set out in Key Table 2 page 9;
- 7) Recommend to Council that the Council Tax requirement be set at £401,663,454.61 as set out in Key Table 2 page 9;
- 8) Recommend to Council the precepts required from each District Council and the levels of County Council Tax for each of the eight property valuation bands consequent upon the budget as amended by adjustments in collection in the current year, as set out in Key Table 2 on page 9;
- 9) Note the Medium Term Financial Strategy 2019/20 - 2022/23 as set out on pages 91 to 104;
- 10) Note the risk assessments set out on pages 123 to 136 and in particular, the risks associated with containing costs and maintaining service provision against a background of significant budget reductions;
- 11) Take account of the risks outlined on pages 123 to 136 in determining the final service budgets, levels of reserves and Council Tax figure to be recommended to the Council;

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- 12) Note the County Fund Balance and Earmarked Reserves 2019/20 as set out on pages 105 to 108;
- 13) Recommend to the Council the Capital Strategy and Programme Overview 2019/20 - 2023/24 set out on pages 19 to 37;
- 14) Recommend to the Council the Capital Programme for 2019/20 of £110.9 million and its financing as shown in Summary Table A on page 20;
- 15) Approve, for planning purposes, the indicative Capital Programmes for 2020/21, 2021/22, 2022/23 and 2023/24 shown in summary Table A on page 20. These levels will be reviewed in the light of the overall level of revenue and capital resources available to the Council for each year
- 16) Recommend to the Council that it adopts the Treasury Management Strategy 2019/20 - 2021/22 as set out on pages 109 to 122;
- 17) Recommend to the Council the Prudential Indicators for 2019/20 to 2023/2024 contained pages 109 to 122;
- 18) Recommend to the Council the amendment to the Minimum Revenue Provision Strategy for 2018/19 as set out on pages 109 to 122;
- 19) Recommend to the Council the Minimum Revenue Provision Strategy for 2019/20 as set out on pages 109 to 122;
- 20) Delegate to the County Treasurer the authority to effect movements between the separately agreed limits for borrowing and other long-term liabilities;
- 21) Approve that changes to existing charges be agreed by the appropriate Cabinet Member in consultation with the Treasurer; and
- 22) Approve the introduction of the new charge in Highways, as set out on page 137.

## Introduction

This report covers the Revenue Budget for 2019/20, Medium Term Financial Strategy to 2022/23 and Capital Strategy 2019/20 to 2023/24. This includes an assessment of the adequacy of reserves, a range of prudential indicators concerning the financial implications of the capital programme and an assessment that identifies risks associated with the budget strategy, together with how these risks will be managed. This year, for the first time, there is a requirement to prepare a Capital Strategy in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017 and this is also included.

The budget book contains details of the County Council's revenue and capital budgets together with associated financial and operational information.

The Council's financial plans are drawn up with reference to:

- the County Council's major policies and objectives;
- the County Council's performance framework;
- demographic changes occurring within the county; and
- consultation with local residents, businesses and other stakeholders.

2019/20 is the final year of the Government's four-year Local Government financial settlement and although our core funding has been reduced by £13.5 millions, to £101.5 millions this is in line with expectations. This reduction has been offset to some extent by additional grants for Winter Pressures of £3.6 millions and Social Care Support of £6.1 millions.

There is great uncertainty about the level of future funding from Government after 2019/20. In addition to the Government's new Comprehensive Spending Review

expected later in 2019 (CSR 2019), the planned Business Rates funding reset and the uncertainty of 'Brexit', the Government is consulting on significant reforms to local government funding.

There is currently no information available on the impact these changes will have on the level of funding Local Government can expect after 2019/20.

**The Budget Book attached to this report contains:**

- Revenue Budget Overview;
- Statement on the Robustness of the Budget Estimates, the Adequacy of Reserves and Affordability of the Capital Strategy;
- Capital Strategy and Programme Overview 2019/20 - 2023/24;
- Service Budgets;
- Medium Term Financial Strategy 2019/20 - 2022/23;
- County Fund Balance and Earmarked Reserves 2019/20;
- Treasury Management Strategy 2019/20 - 2021/22 and Prudential Indicators 2019/20 - 2023/24;
- Risk Analysis of Volatile Budgets;
- Fees & Charges; and
- Abbreviations.

Members are asked to consider each part of this consolidated budget report.

**Equality Impact and Needs Assessments**

Equality Impact and Needs Assessments have been completed and were considered when the budget was set. These are available at

<https://new.devon.gov.uk/impact/budget-2019-2020/>

**More Information**

Contact details are provided throughout the budget book, for any general budget issues please contact Angie Sinclair, Deputy County Treasurer on 01392 380711.

[angie.sinclair@devon.gov.uk](mailto:angie.sinclair@devon.gov.uk)

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers

Contact for Enquiries: Mary Davis

Tel No: (01392) 383310

Room 199

Background Paper

Date 11th February 2019 File Ref Nil

Detailed Budget Working Papers

Cabinet Member: Councillor Stuart Barker

# Agenda Item 7