



Phil Norrey  
Chief Executive

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To: The Chair and Members of the  
Cabinet

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

(See below)

Your ref :  
Our ref :

Date : 31 January 2020  
Please ask for : Karen Strahan, 01392 382264

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

## **CABINET**

Friday, 14th February, 2020

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 2020/2021 - 2023/2024 and the Capital Programme for 2020/2021 - 2024/2025 (Pages 1 - 4)

Covering Report of the County Treasurer (CT/20/5) on the Council's Budget and Recommendations, 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>
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<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

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The nearest mainline railway stations are Exeter Central (5 minutes from the High Street) and St David's and St Thomas's both of which have regular bus services to the High Street. Bus Service H (which runs from St David's Station to the High Street) continues and stops in Wonford Road (at the top of Matford Lane shown on the map) a 2/3 minute walk from County Hall, en route to the RD&E Hospital (approximately a 10 minutes walk from County Hall, through Gras Lawn on Barrack Road).

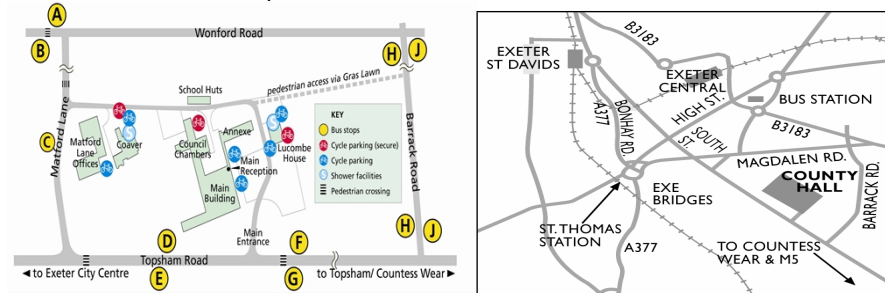
### **Car Sharing**

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### **Car Parking and Security**

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As indicated above, parking cannot be guaranteed and visitors should allow themselves enough time to find alternative parking if necessary. Public car parking can be found at the Cathedral Quay or Magdalen Road Car Parks (approx. 20 minutes walk). There are two disabled parking bays within the visitor car park. Additional disabled parking bays are available in the staff car park. These can be accessed via the intercom at the entrance barrier to the staff car park.



**NB**   Denotes bus stops

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### **First Aid**

Contact Main Reception (extension 2504) for a trained first aider.

CT/20/05

Cabinet

14th February 2020

## **REPORT ON THE REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2020/21 - 2023/24 AND THE CAPITAL STRATEGY 2020/21 - 2024/25**

**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 2020/21 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 £103.197 millions;
- 4) Approve the budgets (pages 35 to 85) within the targets set;
- 5) Recommend to Council the Net budget of £530.054 millions as set out in Key Table 1 on page 8;
- 6) Recommend to Council that a 2% 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 £423,095,396.52 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) Approve that changes to existing charges be agreed by the appropriate Cabinet Member in consultation with the Treasurer; and
- 10) Approve the introduction of the new charge in Highways, as set out on page 86.
- 11) Note the Medium Term Financial Strategy 2020/21 - 2023/24 as set out on pages 87 to 100;
- 12) Note the risk assessments set out on pages 137 to 149 and in particular, the risks associated with containing costs and maintaining service provision against a background of significant budget reductions;

# Agenda Item 7

- 13) Take account of the risks outlined on pages 137 to 149 in determining the final service budgets, levels of reserves and Council Tax figure to be recommended to the Council;
- 14) Note the County Fund Balance and Earmarked Reserves 2020/21 as set out on pages 101 to 107;
- 15) Recommend to the Council the Capital Strategy and Programme Overview 2020/21 - 2024/25 set out on pages 18 to 33;
- 16) Recommend to the Council the Capital Programme for 2020/21 of £114.5 million and its financing as shown in Summary Table C on page 24;
- 17) Approve, for planning purposes, the indicative Capital Programmes for 2021/22, 2022/23, 2023/24 and 2024/25 shown in summary Table C on page 24. These levels will be reviewed in the light of the overall level of revenue and capital resources available to the Council for each year
- 18) Recommend to the Council that it adopts the Treasury Management Strategy 2020/21 - 2022/23 as set out on pages 109 to 125;
- 19) Recommend to the Council the Prudential Indicators for 2020/21 to 2024/2025 contained pages 109 to 125;
- 20) Recommend to the Council the Minimum Revenue Provision Strategy for 2019/20 as set out on pages 109 to 125;
- 21) Delegate to the County Treasurer the authority to effect movements between the separately agreed limits for borrowing and other long-term liabilities;

## Introduction

This report covers the Revenue Budget for 2020/21, Medium Term Financial Strategy to 2023/24 and Capital Strategy 2020/21 to 2024/25. 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.

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.

The final Local Government financial settlement for 2020/21 has now been announced and represents an increase on 2019/20 of 1.6%. The Final Settlement has been confirmed at £103.2 millions which is an increase of £1.7 millions on 2019/20.

2020/21 was expected to be the start of a new multi-year funding settlement that incorporated the outcome of a new Comprehensive Spending Review, Fairer Funding Review and Business Rate Changes - this unfortunately has not happened and the settlement for 2020/21 is for one year only. There is no information on what the authority's funding will be for 2021/22 and beyond.

The authority is experiencing significant demand and cost pressures within Social Care services, but the most significant concern is within the Dedicated Schools Grant (DSG) Special Educational Needs (SEND). The Government has said that local authorities cannot fund the budget deficits from General Fund resources, and they must be carried

forward and dealt with overtime within the DSG. Without Government investing significantly more in this area it is difficult to see how this will be achieved.

## **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 2020/21 - 2024/25;
- Service Budgets;
- Fees & Charges
- Medium Term Financial Strategy 2020/21 - 2023/24;
- County Fund Balance and Earmarked Reserves 2020/21;
- Treasury Management Strategy 2020/21 - 2022/23 and Prudential Indicators 2020/21 - 2024/25;
- Risk Analysis of Volatile Budgets; 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://www.devon.gov.uk/impact/budget-2020-2021/>

## **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 12th February 2020 File Ref Nil

Detailed Budget Working Papers

Cabinet Member: Councillor Stuart Barker

