



## Medium Term Financial Plan and Business Unit Plans

Thursday 21 February 2019

Report from The Leader of the Council

### Purpose of this Report

1. The purpose of this report is to gain Council's approval of the Revenue and Capital budgets for 2019/20 (and indicative budgets for the following three years). Also to approve the Net Budget Requirement, Council Tax Requirement and the level of Band D Council Tax for the year. Finally, Council is asked to note the Business Unit Plans.

### Background

2. Section 32 (10) of the Local Government Act 1992 requires the Council to set a balanced budget by 11<sup>th</sup> March of the preceding financial year. This report aims to fulfil that responsibility. It is the culmination of a lengthy process involving both Members and officers across the Council and includes engagement with both the public and partner organisations.

### Strategic and Business Plans

3. This is the final year of the current Strategic Plan, which runs until 2020. The Council keeps the Strategic Plan under review, and it was agreed that the plan remained fit for purpose in the changing local and national context. The Strategic Plan 2017-20 contains the priorities focused around three key themes:
  - Safeguarding the vulnerable
  - Creating Opportunities and Building Self-Reliance
  - Ensuring Buckinghamshire is Thriving and Attractive
4. The Council is politically led and the Council operates four Business Units to manage its affairs. Cabinet Members sit on and lead each of the Business Unit Boards.

**Appendix A (i to iv)** sets out the executive summaries of the Business Unit Plans for the forthcoming year. The executive summaries set out the activities that each Business Unit will deliver under each of the Council's three strategic outcomes.

5. The plans provide a description of activities along with an overview of challenges and opportunities for the future. A budget overview is presented in each Plan along with some key contract information. The process of business planning is cyclical and is refined each year. We continually review the business and financial planning processes to improve the process for the following financial year. It will be for the new Authority to do this for future years.

### **Local Government Finance Settlement**

6. The Provisional Local Government Finance Settlement was published on 13th December 2018. In light of the previous decision to accept a four-year settlement in 2016/17 this contained limited changes, however some change were included within the announcement;
7. It was confirmed that '**negative RSG**' would be removed from the settlement figures, which had been assumed within the proposed budget;
8. Additional funding was announced for Adults and Children's Social Care in 2019/20, with **£1.691m** received for Adults Social Care and **£2.855m** for general Social Care pressures;
9. In addition it was announced that the application from all Buckinghamshire Councils to take part in a **pilot of 75% Business Rates Retention** was successful. This provides additional one-off funding based on growth in Business Rates.
10. The Final Local Government Settlement was published on 29<sup>th</sup> January, which contained no material change from the Provisional Settlement.

### **Council Tax**

11. During January information has been received from the District Councils, which are the collection authorities for the purposes of Council Tax. They have reported an estimate of their surplus or deficit on collection, the net effect of which is an additional **£2.247m**.
12. The District Councils also confirmed the size of their respective tax bases, which has identified an increase in the tax base of 1.28% in 2019/20.

### **Business Rates**

13. From April 2013 a new funding regime was introduced allowing Council's to keep a proportion of business rates. After the Government keeps 50%, districts 40% and the fire authority 1%, the County's share is 9%. Buckinghamshire Councils will be trialling 75% retention of Business Rates following the successful application to Central Government referred to above.

14. The accepted proposal for Buckinghamshire sees the 4 District Councils and the County Council splitting the 75% share of business rates as follows; County Share 42.5%, District share 31.5%, Bucks Fire & Rescue share 1%. Business Rates additional growth will be allocated between the parties as follows; County Council share of growth 50%, District Councils share of growth 50% (split on the basis of their respective shares of growth).
15. The expected benefit of this additional retention of growth is not guaranteed as it is dependent upon actual business rates receipts. However, it is estimated that the additional receipts will be approximately **£3.5m** for the County Council. It is proposed that £2.8m of this be allocated to a reserve to support the creation of the new Unitary Council (giving a total unitary reserve of £11m) and that the remaining £0.7m be kept in a reserve to be allocated once expected additional receipts are more certain. This can be spent around financial sustainability and the growth agenda.

### **Consultation**

16. In the autumn the County Council ran a general public consultation on its strategic priorities to gauge public opinion on which services are most valued and which less so. The results of the consultation were reported to Cabinet in early December. Following the Cabinet meeting in December, which agreed the draft budget, stakeholders also had an opportunity to e-mail any further comments for consideration. A meeting was also held with the Buckinghamshire Business Group in which the draft budget was discussed. Their response is available as Appendix 7 to this report.

### **Revenue**

17. The recommended 2019/20 revenue budget is attached at **Appendix 1**. **Appendix 2** sets out a summary of the changes from the previous year's budget and **Appendix 3** sets out these changes in more detail. These reflect the outcome of a robust challenge process including review by an examination in public by the Budget Scrutiny Committee (**Appendix 6**).
18. The Budget Requirement for 2019/20 excluding DSG is **£356.310m**. The Council is also required to agree its Council Tax Requirement. These budget proposals lead to a Council Tax Requirement of **£293.124m**, which equates to a 2.99% council tax increase including the Social Care Precept at 0%, or a Band D Council Tax level of **£1,329.64**. **Appendix 4** sets out the tax levels for each property band.

## Capital Programme

19. The Capital proposals within the budget have followed a similar review and challenge process to revenue. **Appendix 5** details the schemes included within the recommended Programme together with the summary funding position. In 2019/20 the Programme includes a total investment of **£86.125m**, including **£35.168m** on schools and education and **£19.75m** on highways and footpath structural maintenance.

## Recommendation

### Council is asked to:

1. **Approve the Revenue Budget for 2019/20 (and indicative budgets for the following three years) as set out in Appendices 1, 2 and 3 and a Net Budget Requirement of £356.310m in 2019/20;**
2. **Approve a Council Tax Requirement of £293.124m and a Band D council tax, for County Council spending of £1,329.64 in 2019/20;**
3. **Approve the Capital Programme as set out in Appendix 5;**
4. **Note the Budget Scrutiny Report**
5. **Note the Business Unit Plans.**
6. **Note the response to the budget proposals from Bucks Business Group**

## LEADER OF THE COUNCIL

Appendix 1 – Summary of the Revenue Budget 2019/20 to 2022/23

Appendix 2 – Summary of changes to the budget

Appendix 3 – Detailed changes to the budget

Appendix 4 – Proposed Council Tax Levels by property band

Appendix 5 – Capital Programme

Appendix 6 – Report from the Budget Scrutiny Committee

Appendix 7 – Response to budget proposals from Bucks Business Group

Appendix A(i) – Communities, Health and Adult Social Care Business Plan Executive Summary

Appendix A(ii) – Children's Services Business Plan Executive Summary

Appendix A(iii) – Resources Business Plan Executive Summary

Appendix A(iv) – Transport, Environment and Economy Business Plan Executive Summary