

## POLICY AND RESOURCES COMMITTEE – 21 JANUARY 2020

### PART I - NOT DELEGATED

#### 12. FINANCIAL PLANNING 2020-2023 (DoF)

##### 1. Summary

1.1 This report is an introduction to the three agenda items that follow.

##### 2. Details

2.1 At its meeting on 2 September 2019 (Minute PR31/19 refers) this Committee agreed the strategic, service and financial planning process for 2020-2023. This complies with the Council's *Budget and Policy Framework Procedure Rules* and means that the Council can demonstrate clear links between its Corporate Framework, its Service Plans and the allocation of resources to achieve the outputs and outcomes contained in them.

2.2 The final Council Corporate framework (2020-2023) will be presented to this Committee at its meeting in March 2020 for consideration and recommendation to Council.

2.3 Finalised service plans will be presented to their relevant service committee in the March 2020 cycle of meetings.

2.4 Following on from this item are 3 reports:-

Item	Title
13	Financial Planning – Revenue Services
14	Financial Planning – Capital Strategy and Treasury Management Policy
15	Financial Planning – Recommendations

##### *Financial Planning – Revenue Services*

2.5 The Council's expenditure on **revenue activities** (the day to day costs of its services) are funded from a combination of council tax, retained business rates, government grant and fees & charges and rents.

2.6 The purpose of this report is to allow the Policy and Resources Committee to recommend to the Council the medium term revenue budget.

##### *Financial Planning – Capital Strategy and Treasury Management Policy*

2.7 The Council's expenditure on its capital programme (used to create assets benefitting the community over the longer term) is funded from a combination of capital receipts, grants and reserves.

2.8 The purpose of this report is to allow the Policy and Resources Committee to recommend to the Council its capital strategy and treasury management policy.

##### *Financial Planning – Recommendations*

2.9 This report enables the Policy and Resources Committee to make its recommendations on the Council's revenue and capital budgets and treasury management policy for the period 2020-2023 (medium term) to the Council on 25 February 2020.

2.10 Under the Council's Constitution, only Council can approve or adopt the budget (Article 4). The Budget and Policy Framework Procedure Rules (Part 4 Rules of Procedure) set out the process for developing the budget.

### **3. Options/Reasons for Recommendation**

3.1 The recommendation below is to note this report.

### **4. Policy/Budget Reference and Implications**

4.1 The recommendations in this report contribute to the process whereby the Council will approve and adopt its strategic, service and financial plans under Article 4 of the Council's Constitution.

### **5. Equal Opportunities, Staffing, Environmental, Community Safety, Customer Services Centre, Communications, Health & Safety & Website Implications**

5.1 Included in the reports that follow where appropriate.

### **6. Financial Implications**

6.1 Members are welcome to raise questions on the budget prior to any discussion at the meeting. Indeed, it would be helpful if questions could be notified in advance to ensure that comprehensive responses are available. Any queries should be addressed to Head of Finance [alison.scott@threerivers.gov.uk](mailto:alison.scott@threerivers.gov.uk) or the Accountancy Section Head ([nigel.pollard@threerivers.gov.uk](mailto:nigel.pollard@threerivers.gov.uk))

### **7. Legal Implications**

7.1 The Council is required to set its budget before 11 March 2020 although it is intended that it should do this on 25 February 2020.

7.2 The Localism Act 2011 abolished capping in England and instead introduced a power for local electorates to approve or veto excessive council tax rises. Any authority setting a council tax increase which exceeds principles endorsed by the House of Commons (i.e. if it is "excessive") will be required to hold a council tax referendum. For 2020/21, district councils are permitted to apply increases of less than 2% or up to and including £5 (whichever is higher) above the authority's basic amount of council tax for 2019/20 without triggering a referendum.

7.3 The Council's Chief Finance Officer (Director of Finance) has a statutory duty to report to the Council if it is likely to incur expenditure that is unlawful or likely to exceed its resources. Section 25 of the Local Government Act 2003 places a duty on the Chief Finance Officer to report on the robustness of the estimates and the adequacy of the financial reserves.

### **8. Risk Management and Implications**

8.1 There are no risks to the Council in agreeing the recommendation in this report.

### **9. Recommendation**

9.1 That this report be noted.

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**Background Papers**

None