

## STRATEGY & RESOURCES COMMITTEE

27 January 2022

Amendment to item 8 – Business Planning Proposals for 2022-27

Proposed by: Councillor S Count

Seconded by: Councillor Boden

### Add a recommendation 1a

1a: Amends the Medium-term Financial Strategy, ahead of forwarding to Full Council, as follows -

*Medium Term Financial Strategy*

Page	Amendment
265	<i>Add the text in bold:</i>  <b>“We also retain £40m of earmarked reserves in 2022/23, much of which it may be possible to redirect and bolster the general reserve if needed”</b>
273	<i>Add the text in bold</i>  “Notwithstanding the policy minimum, by 1 April 2021, the Council actually held 4% in the general reserve, <b>due to the addition of underspends from 2021/22 and budget re-alignment being allocated to reserves, at July S&amp;R 2021”</b>

277 *Replace the table at 9.2 with the following, inserting the two shaded columns (from the 2021-26 MTFS) in place of estimates from 2022-27:*

	previous plans		updated plans				
Balance as at:	31 March 2021 (planned) £m	31 March 2022 (planned) £m	31 March 2023 £m	31 March 2024 £m	31 March 2025 £m	31 March 2026 £m	31 March 2027 £m
General reserve	19.5	19.4	27.41	28.08	28.84	29.54	30.25
Earmarked reserves	33.4	38.5	44.56	41.75	39.03	39.03	39.03
Covid Grant Reserve	unplanned	26.99	16.82	11.50	7.02	3.28	1.02
School Reserves	-13.30	-22.50	-23.00	-23.00	-23.00	-23.00	-23.00
Just Transition Fund			10.78	9.78	8.82	8.07	8.07
High Needs Block Offset Reserve			14.40	14.40	14.40	14.40	14.40
Transformation Fund	28.0	23.0	-	-	-	-	-
Total	67.6	85.39	90.96	82.50	75.11	71.32	69.77
General reserve as % of gross budget	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%

**Add a recommendation 1b**

1b: Notes the supplementary information set out in this amendment document.

*Supplementary Information*

Page	Supplementary Information																																				
206	<p>This page states that investments already approved against the former transformation fund will continue.</p> <p>It is understood that the value of legacy commitments is £450k and it is planned that budget at this level will be held over in an earmarked reserve for this purpose</p>																																				
211	<p>For a Band D property the annual uplift is £69.84</p> <p>The band-by-band increases (as presented in the MTFS) are:</p> <table><tr><th>Band</th><th>Amount</th><th>Increase</th><th>Increase per week</th></tr><tr><td>A</td><td>£979.74</td><td>£46.56</td><td>£0.90</td></tr><tr><td>B</td><td>£1,143.03</td><td>£54.32</td><td>£1.04</td></tr><tr><td>C</td><td>£1,306.32</td><td>£62.08</td><td>£1.19</td></tr><tr><td>D</td><td>£1,469.61</td><td>£69.84</td><td>£1.34</td></tr><tr><td>E</td><td>£1,796.19</td><td>£85.36</td><td>£1.64</td></tr><tr><td>F</td><td>£2,122.77</td><td>£100.88</td><td>£1.94</td></tr><tr><td>G</td><td>£2,449.35</td><td>£116.40</td><td>£2.24</td></tr><tr><td>H</td><td>£2,939.22</td><td>£139.68</td><td>£2.69</td></tr></table>	Band	Amount	Increase	Increase per week	A	£979.74	£46.56	£0.90	B	£1,143.03	£54.32	£1.04	C	£1,306.32	£62.08	£1.19	D	£1,469.61	£69.84	£1.34	E	£1,796.19	£85.36	£1.64	F	£2,122.77	£100.88	£1.94	G	£2,449.35	£116.40	£2.24	H	£2,939.22	£139.68	£2.69
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This page also refers to the historic levels of change in Council Tax each year.

The cumulative annual impact on a band D household is as follows:

		Council Decision			Band D Council tax impact	
Financial Year	Maximum tax rise	General precept	ASC precept	Total precept	Actual Cumulative Impact	Maximum Cumulative Impact
2016/17	3.99%	0.00%	2.00%	2.00%	22.77	57.06
2017/18	3.99%	0.00%	2.00%	2.00%	46.08	115.29
2018/19	4.99%	2.99%	2.00%	4.99%	105.48	174.69
2019/20	4.99%	2.99%	2.00%	4.99%	167.76	236.97
2020/21	3.99%	1.59%	2.00%	3.59%	214.83	302.40
2021/22	3.99%	1.99%	1.00%	2.99%	255.42	370.17
2022/23	4.99%	2.99%	2.00%	4.99%	325.26	440.01

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The following table illustrates the impact on budget gaps of applying all of the additional available funding announced in the settlement to 2022-23 (and then the impact of removing the single year element in year 2).

	2022-23	2023-24	2024-25	2025-26	2026-27
Remaining Budget Gap	16,700	19,626	23,127	15,006	18,731
Funding from Settlement	-11,021	4,508			
4.99% increase in Council Tax, versus 2% increase already assumed	-9,877	-379	-390	-386	-394
Residual gap	-4,198	23,755	22,737	14,620	18,337

218	This page refers to the level of general reserves held and that this is consistent with actual balances held on 1 April 2021. However it is confirmed that the current policy level of the MTFs is 3% of expenditure, meaning that this budget proposes to increase the policy level by 1%																																																
218	<p>The following table is provided to give context to use of one-off monies across the next five years. Negative figures represent using more one-off monies and positive figures represent planned reductions in funding from one-off sources.</p> <table><tr><th colspan="6"><i>Presented as absolute rather than cumulative values</i></th></tr><tr><th><b>Use of one off grant reserves</b></th><th><b>2022-23</b></th><th><b>2023-24</b></th><th><b>2024-25</b></th><th><b>2025-26</b></th><th><b>2026-27</b></th></tr><tr><td>Draw down of covid grant</td><td>-4,573</td><td>-5,321</td><td>-4,477</td><td>-3,734</td><td>-2,261</td></tr><tr><td>Public Health reserve</td><td>-400</td><td>-400</td><td>-200</td><td>0</td><td>0</td></tr><tr><td>Other one off funding in 2022/23 settlement</td><td>-311</td><td>-2,162</td><td>-2,162</td><td>0</td><td>0</td></tr><tr><td>(One off funds within budget)</td><td>-5,284</td><td>-7,883</td><td>-6,839</td><td>-3,734</td><td>-2,261</td></tr><tr><td>Budget gap as published (including above)</td><td>0</td><td>17396</td><td>22737</td><td>16782</td><td>18337</td></tr><tr><td>Budget gap excluding one-off funds</td><td>5,284</td><td>25,279</td><td>29,576</td><td>20,516</td><td>20,598</td></tr></table>	<i>Presented as absolute rather than cumulative values</i>						<b>Use of one off grant reserves</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	Draw down of covid grant	-4,573	-5,321	-4,477	-3,734	-2,261	Public Health reserve	-400	-400	-200	0	0	Other one off funding in 2022/23 settlement	-311	-2,162	-2,162	0	0	(One off funds within budget)	-5,284	-7,883	-6,839	-3,734	-2,261	Budget gap as published (including above)	0	17396	22737	16782	18337	Budget gap excluding one-off funds	5,284	25,279	29,576	20,516	20,598
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586	The latest real living wage announced is £9.90																																																

Core purpose: To add to and further refine information, to aid decision making on this matter at full council.

Summary: One of the key purposes of any committee is to provide scrutiny to proposals. In examining the papers to be submitted to council it became apparent that good decision making would be aided, by refining and adding to various pieces of information contained in the document. The overall document itself is 713 pages long so it is inevitable that there would be areas where information may be missed or not deemed necessary from certain perspectives but not others.

We do not submit this in an attempt to undermine the paper by picking up minor typo's or heading areas, but genuine changes to information necessary to aid good decision making. In that respect it is important to recognise that this amendment has been vetted as factually accurate by the S151 officer Tom Kelly and is factually correct