

Recommendation from the Cabinet meeting held on 31 January 2018

Medium Term Financial Plan (MTFP) and Budget 2018-19 to 2020-21

18a The Cabinet considered a report by the Cabinet Member for Community and Resources on the Medium Term Financial Plan (MTFP) and Budget for 2018-19 to 2020-21. The report is attached as an annexure to these minutes.

Cllr Tony Ferrari provided a detailed introduction to the report and highlighted that, as an evolution of the policies of the Council, funding to both children's and adult services had been allocated differently due to financial pressures and transformation, and there was continuing pressure to make savings. The opportunity from Government to increase Council Tax base from 1.99% to 2.99% was proposed for 2018/19, and was also assumed for 2019/20, but could not be assumed for future years after 2019/20 so a prudent 1.99% increase was assumed. For these two years the additional 1% increase would raise just over £2m. However, the impact of the Local Government pay settlement would create an additional pressure on the budget of £1.4m. The social care precept of 3% would remain in place and form part of the overall Council Tax proposal of 5.99%. The Council Tax increase would create additional revenue of approximately £13m, but a further £18m was still required in savings for 2018/19 due to ongoing cost pressures.

An explanation was provided on other factors affecting the Council's budget planning assumptions in relation to the ability to create capital receipts and use the funding raised towards transformation, and continued lobbying and consultation in spring 2018 on negative Revenue Support Grant (RSG) funding from Government in 2019/20. A new funding formula would be applied by Government in 2020/21 which would remove the negative RSG issues.

The importance of transparency and communications regarding the ongoing budget pressures of the Council was discussed. It was felt that more proactive communications were needed to explain why the increases in Council Tax were needed, the extremely challenging work to provide services, increasing demands, and justification of the significant factors facing areas such as social care.

Specific reference was made to the children's services high needs budget and Special Educational Needs and Disability (SEND) activity, and that further information on the direction of travel and relationships with schools would be considered in March 2018.

Reference to the downward trend of highway condition and risks associated with the retender of transport contracts were included in the discussion. However, ongoing work with the Clinical Commissioning Group and the NHS could provide visionary changes in relation to holistic transport provision.

The Cabinet discussed the need to make budget information available moving forward for the new Dorset Council, which needed to build on considerations included in the Cabinet Member's report at paragraph 1.4 which started to outline the sense of direction that would be needed, and it would also need to provide visibility to the work of the Organisational Transformation Board.

Resolved

That, subject to confirmation of funding levels once the final settlement was received:
1. The service issues and risks associated with the savings measures arising from the updated Forward Together programme, set out in Appendix 2 of the Cabinet Member's report be agreed as the measures upon which further consultation takes place;

2. The risks associated with the use of one-off funding through flexible capital receipts and collection fund surpluses to balance the budget be noted;
3. The Council Tax increase of 2.99% for 2018-19 and note the assumption of 2.99% in 2019-20 and 1.99% beyond that be confirmed; and,
4. The Social Care Precept of 3% for 2018-19 and 0% in 2019-20, bringing the three-year total to the 6% allowed by Government be confirmed.

RECOMMENDED

1. That the County Council be recommended to approve:
 - a) the revenue budget strategy for 2018-19 to 2020-21;
 - b) the budget requirement and precept for 2018-19; and,
 - c) the position on general balances and reserves.
2. That the Chief Financial Officer present to the County Council a schedule setting out the Council Tax for each category of dwelling and the precepts on each of the Dorset Councils for 2018-19.
3. That the proposal to increase fees and charges for non-residential adult social care services by 5% in 2018-19 be approved.

Reason for Recommendations

To approve the Council Tax increase for 2018-19 and to enable work to continue to refine and manage the County Council's budget strategy for the remaining MTFP period.