

Report to: **Executive**

Date: **17<sup>th</sup> December 2020**

Title: **Draft Revenue Budget Proposals for 2021-22**

Portfolio Area: **Cllr J Pearce – Budget Setting Process**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

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**Recommendations:**

**It is recommended that the Executive :**

- i) Notes the forecast budget gap for 2021/22 of £75,871 (0.8% of the predicted Net Budget of £9.6 million) and the position for future years.
- ii) Notes the current options identified and timescales for closing the budget gap in 2021/22 and future years, to achieve long term financial sustainability.

**It is recommended to Council:**

- iii) That South Hams District Council continues to be part of the Devon Business Rates Pool for 2021/22, subject to there being no announcements within the Finance Settlement (expected to be announced in the week commencing 14<sup>th</sup> December), which in the opinion of the S151 Officer (in consultation with the Leader of the Council and the Portfolio Holder for Finance), would change this recommendation.

**1. Executive summary**

- 1.1 The Council's Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling five year timeframe to 2025/26. The Council, along with other local authorities, has faced unprecedented reductions in Government funding. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £4 million. The Council now receives **no main Government Grant (Revenue Support Grant)** – this has been reduced to zero.
- 1.2 South Hams has continued to work in partnership with West Devon Borough Council which has allowed South Hams to achieve annual savings of £3.9 million and more importantly protect all statutory front line services. Between both Councils the annual shared services savings being achieved are over £6 million per annum. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.
- 1.3 The Medium Term Financial Strategy (MTFS) was considered by Members on 22nd October 2020 and it set out the budget strategy for the Council for the next five years, with regular reviews (at least annually) and updates when items are further known or are announced by the Government.
- 1.4 The MTFS sets out the strategic intention for all of the different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions.
- 1.5 Covid 19 has caused financial strain for all Councils up and down the country where Councils find themselves being caught in a 'perfect storm'. Councils have to manage both the increased costs of coping with Covid19 and supporting vulnerable people in the community and the loss of key income streams such as ferry income, car parking income, planning income and council tax and business rates income.
- 1.6 The factors affecting the Council's finances are issues affecting the whole Local Government sector. The Council is well-placed to meet the financial challenges arising from Covid19, due to its prudent financial management over previous years.
- 1.7 Due to the rapidly changing financial position, the Council is now undertaking frequent revenue budget monitoring reports. The latest revenue budget monitoring report for Month 7 (end of October) predicts an underspend (surplus) of £69,000 for 2020/21. This takes into account the Amended Budget for 2020/21 which was set by Council on 24 September 2020.
- 1.8 The key assumptions within the Medium Term Financial Strategy are as below. Each of these is described in more detail in Section 4.

- A one year 'rollover settlement' (with no negative Revenue Support Grant in 2021/22) continues to be the most likely scenario
- The business rates baseline reset will be deferred until 2022/23
- The Settlement Funding Assessment (SFA) will increase in line with inflation – this is essentially the business rates baseline and is the amount of money the Council retains from its share of the business rates income.
- There will be a phasing in of negative Revenue Support Grant (RSG) as part of the business rates baseline reset with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go
- It is assumed Council Tax limits for District Councils will remain at the higher of £5 or 1.99% for 2021/22 onwards onwards – the Spending Review referred to a council tax referendum limit of 2%, which we interpret as a simplified description (The Finance Settlement expected to be announced in the week commencing 14<sup>th</sup> December should confirm the limit for District Councils)
- The Spending Review confirmed that there will be one more year of the New Homes Bonus payments (as part of a one year 'rollover settlement'). We anticipate that bonuses will still be payable for growth in 2020/21 (Year 11), although that has not been officially confirmed as yet
- A modest business rates pooling gain of £125,000 has been modelled for 2021/22 with no further gains for 2022/23 onwards. Business rates income is assumed to be down by 3%.
- No council tax collection fund surplus has been assumed for any years going forward (normally the Council receive a surplus share of around £60,000 per annum) and it has been assumed that the council tax collection rate will reduce by 1%. The Collection Fund deficit for 2020-21 – which would ordinarily be recouped in 2021-22 – will instead be recovered in equal instalments over three years, in line with new Government regulations. The deficit is expected to be around £29,000 per annum.
- No permanent reductions to the Council's income streams (such as ferry income, car parking income, planning income etc. as a result of the Covid pandemic) have been built into the Base Budget for 2021/22. This will be regularly monitored over the next few months. The Government has confirmed that its income compensation scheme for sales, fees and charges for Councils will continue to apply in 2021/22, but only for the first quarter of the year. This is less than the full-year extension lobbied for through the South West Councils response to the Comprehensive Spending Review, and leaves the Council reliant on a rapid return to normal economic conditions by the Summer.
- Rural Services Delivery Grant has been assumed to continue at the same level with a slight inflationary increase across the 5

years – In 2021-22, the national total of £81 million has been frozen.

- The last pay award offer for 2020-21 was 2.75%. A 1% pay increase has been modelled from 2021/22 onwards (1% equates to £70,000). The Government has imposed a pay freeze on much of the public sector, subject to increases in the National Living Wage and a minimum increase of £250 in full-time equivalent wages of less than £24,000. Although setting pay levels in Local Government falls outside Central Government control, this freeze will have informed the setting of funding for Local Government and is likely to be a significant factor in determining the outcome.

1.9 The following table illustrates the predicted budget gap from 2021/22 onwards for the Council as shown in Appendix B:

Budget Gaps	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	<b>75,871</b>	413,624	355,590	336,609	375,630	1,557,325
*Cumulative Budget Gap	<b>75,871</b>	489,496	845,086	1,181,695	1,557,325	4,149,474

\* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 1.10 **The forecast budget gap for 2021/22 is £75,871. This is 0.8% of the Net Budget of 20/21 of £9.6million.** A cumulative budget gap of £489,496 is predicted for 2022/23 (the £489,496 assumes that the 21/22 budget gap of £75,871 has not been closed). The cumulative aggregated Budget Gap by 2025/26 is £4.1 million, if no action has been taken in each individual year to close the budget gap annually.
- 1.11 The Government's Spending Review announcement contained no real surprises for local government, and largely confirmed the assumptions previously made within the Medium Term Financial Strategy in October.
- 1.12 The scale of the reduction in economic output this year and the consequent increase in Government borrowing were slightly higher than forecasts made by independent observers such as the IFS (Institute for Fiscal Studies).
- 1.13 The Medium Term Financial Strategy on 22nd October 2020 set out a predicted budget gap of £137,871 for 2021/22. Since that report, two

further areas for savings have been identified from items highlighted by the Spending Review announcement.

- 1.14 The two areas are:
- Pay Award – the assumption for a pay award has been reduced from 2% to 1%. A 1% reduction equates to £70,000 (see 3.2 for further explanation). The Government has implied that it expects local government to exercise restraint about pay, given the wider macro-economic climate.
  - The Spending Review confirmed that the business rates multiplier is being frozen for 2021/22, therefore the annual inflationary provision of £110,000 to provide for inflation and increases in goods and services (which includes business rates) has been reduced by £20,000 in 2021/22.
- 1.15 In addition, new Regulations for the spreading of the Collection Fund deficit (for Business Rates and Council Tax income) have been announced and the collection fund deficit for 2021/22 has been estimated at £29,000. This is an additional cost in 2021/22 to fund.
- 1.16 These areas together mean that the forecast budget gap for 2021/22 has decreased from £137,871 in the Medium Term Financial Strategy (October 2020) to £75,871 in these Draft Revenue Budget Proposals (December 2020) for 2021/22.
- 1.17 It is recommended that South Hams District Council continues to be part of the Devon Business Rates Pool for 2021/22, subject to there being no announcements within the Finance Settlement (expected to be announced in the week commencing 14<sup>th</sup> December), which in the opinion of the S151 Officer (in consultation with the Leader of the Council and the Portfolio Holder for Finance), would change this recommendation.

## **2 COMPREHENSIVE SPENDING REVIEW 2020**

2.1 The Autumn Budget was cancelled on 23 September 2020 because there is too much uncertainty about the UK's economic outlook. Instead a one-year Spending Review was announced on 25 November 2020. This revealed that the economy is likely to contract by 11.3% this year – the largest single-year decline in more than three centuries.

2.2 The Government is expected to borrow £394 billion this year – seven times the amount anticipated in March. The spending plans announced

have to be viewed in that context, and represent a holding position pending a more fundamental reappraisal of the country's ongoing economic capacity.

### **What are the implications for local government?**

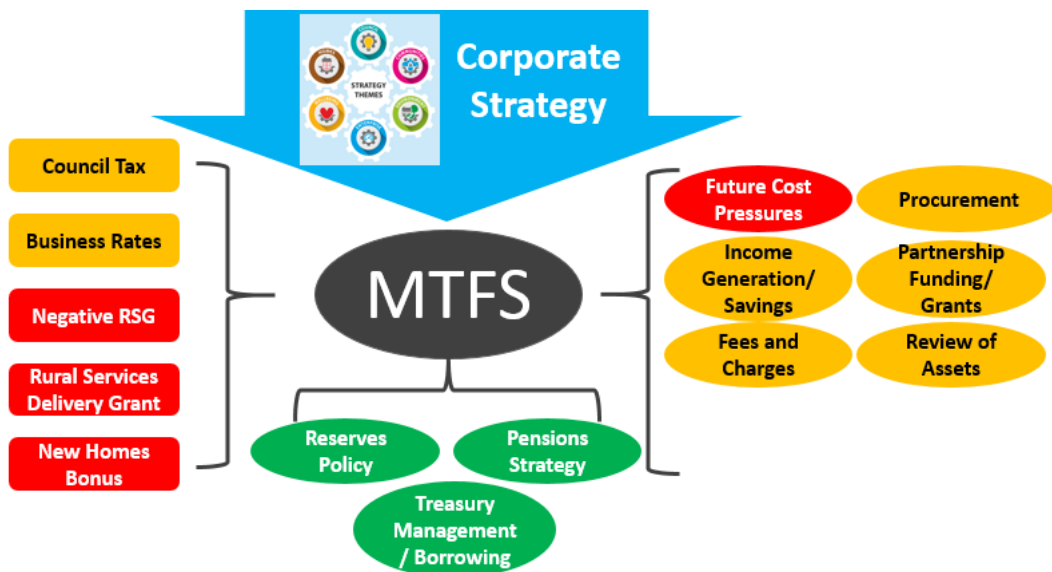
- 2.3 For 2021-22 there will be a **one year “rollover” settlement**, similar to that in 2020-21. A one year settlement has the advantage that it is simple, and there is no significant redistribution of funds. All local authorities will face increased financial pressure through a combination of increased demand for personal & protective services and reduced income from both taxes and demand-led income streams. Capacity to absorb these pressures will vary – which in turn will lead to calls for redistribution of the total sum available. However, it seems unlikely that significant changes will, or indeed, could be introduced before 2022-23.
- 2.4 Support for the impact of Covid-19 has largely been kept separate from the core funding for local authorities. In particular, the Government has stated that compensation will be provided for 75% of council tax or business rates income deemed to be irrecoverable. Further information is awaited on what criteria will be applied before tax is deemed to be irrecoverable, but this does at least provide some mitigation for losses that would otherwise feed into Collection Fund adjustments in 2022/23.
- 2.5 The compensation scheme for income lost from sales, fees and charges will continue for the first three months of 2021/22.
- 2.6 A further £1.55 billion in new funding for local government's COVID expenditure pressures was announced in the Spending Review. It is unknown whether this will be allocated using the COVID Relative Needs Formula (RNF) that was launched alongside Tranche 4 of the COVID Grant. It is also unknown whether the allocations will be published in the Provisional Local Government Finance Settlement (expected in the week commencing 14<sup>th</sup> December), or later next year.
- 2.7 There will be separate grant funding to help tackle homelessness amounting to £254 million – considerably more than the £103 million previously announced. Details of allocations and criteria are not yet available. The LGA has requested greater flexibility in the use of these funds than has previously been allowed.
- 2.8 Finally, there is a new, albeit small, £16 million grant programme to help local authorities improve their cyber security.
  
- 2.9 Many of the Spending Review announcements related to capital investment, which will extend beyond 2021-22. Of particular interest are the following proposals (details of which will follow at a later date):

- a) a new Levelling Up Fund, allowing bids of up to £20 million to be made against a total allocation of £4 billion. Bids are to be evaluated jointly by the Treasury, MHCLG and Department for Transport. The inclusion of the latter department in evaluation suggests the likely focus of the overall fund. Bids must have real impact within the current Parliamentary term - which suggests a very short bidding and evaluation timescale if projects have to be complete and operational in less than four years' time - and must have local support, including that of the local MPs.
- b) £2 billion each for the Affordable Housing Programme and the National Home Building Fund in 2021-22. Over the next five years the funding for these two programmes is expected to come to nearly £20 billion in aggregate.
- c) £0.9 billion for flood and coastal defence projects. This is roughly double the previous provision, and is expected to continue at this level for at least a further four years.
- d) £220 million as a transitional arrangement pending introduction of a new UK Shared Prosperity Fund. This new Fund is intended to take the place of EU regeneration funds, although the 2021/22 funding appears to be for preparatory work, rather than fully-fledged schemes.

### **3 THE COMPONENTS MAKING UP A MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

- 3.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFS where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.

**2020/21 Net Amended Budget £9.4 million**



3.2 The key assumptions within the MTFS are as below. Each of these is described in more detail in Section 4.

- A one year 'rollover settlement' (with no negative Revenue Support Grant in 2021/22)
- The business rates baseline reset will be deferred until 2022/23
- The Settlement Funding Assessment (SFA) will increase in line with inflation – this is essentially the business rates baseline and is the amount of money the Council retains from its share of the business rates income. September CPI was 0.5%
- There will be a phasing in of negative Revenue Support Grant (RSG) as part of the business rates baseline reset with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go
- It is assumed Council Tax limits for District Councils will remain at the higher of £5 or 1.99% for 2021/22 onwards: although the Spending Review documents refer to 2%, we are interpreting this as a simplified description of the arrangements that applied in 20-21 and which we expect to see repeated – i.e. that Districts can increase their share by the higher of 1.99% or £5. In terms of the overall council tax bill, the County Council are able to increase their proportion of the council tax bill by up to 4.99%, to include a 3% precept for adult social care. This could lead to further requests for relief through Council Tax Support. Police and Crime Commissioners will be able to increase their share of the council tax bill by £15. No announcement has yet been made by the Government as to whether any council tax referendum principles will apply to Town and Parish Councils in 2021/22. Details of the council tax principles for 2021/22 are expected to be announced



with the Draft Local Government Finance Settlement in the week commencing 14<sup>th</sup> December.

- There will be one more year of the New Homes Bonus payments (as part of a one year 'rollover settlement'). We are waiting for full details of this scheme, but we expect existing legacy payments will be honoured – albeit with no new legacy payment in respect of year 10 of the scheme. Some of the NHB payments envisaged are modelled to be used to finance the revenue base budget.
- A modest business rates pooling gain of £125,000 has been modelled for 2021/22 with no further gains for 2022/23 onwards. Business rates income is assumed to be down by 3%.
- Normally the Council receive a surplus share of around £60,000 per annum. The Collection Fund will be in deficit this year, which will be spread equally across the three years 21-22, 22-23 and 23-24 (£29,000 for each of the three years), in line with new Government regulations introduced earlier this year. We are currently assuming that there will be no Collection Fund surplus in future years, and that the council tax collection rate will reduce by 1%.
- Rural Services Delivery Grant has been assumed to continue at the same level with a slight inflationary increase across the 5 years. – In 21-22 the national total has been frozen at £81 million.
- The last pay award offer for 2020-21 was 2.75%. A 1% pay increase has been modelled from 2021/22 onwards (1% equates to £70,000). Although setting pay levels in Local Government falls outside Central Government control, this freeze will have informed the setting of funding for Local Government and is likely to be a significant factor in determining the outcome.
- No permanent reductions to the Council's income streams (such as ferry income, car parking income, planning income etc. as a result of the Covid pandemic) have been built into the Base Budget for 2021/22. This will be regularly monitored over the next few months. The Government's income compensation scheme for sales, fees and charges for Councils has only been extended for the first three months of 2021/22. The Month 7 Revenue Budget Monitoring report for 2020/21 (also on this Executive agenda) makes a recommendation to transfer £100,000 into a Covid Earmarked Reserve, to protect against future COVID losses in 2021/22.

## **OVERALL POSITION – BUDGET GAP**

- 3.3 Financial modelling has been undertaken for the next five years to predict the Council's financial situation for the short and medium term.
- 3.4 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. **Appendix B** illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £9.4 million in 2020/21.
- 3.5 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if the Council Tax is increased by £5 per annum (shown in Appendix B).
- 3.6 The following table illustrates the predicted budget gap from 2021/22 onwards for the Council **as shown in Appendix B**:

<b>Budget Gaps</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>Total Aggregated Budget Gap £</b>
'New' Budget Gap each year	<b>75,871</b>	413,624	355,590	336,609	375,630	1,557,325
*Cumulative Budget Gap	<b>75,871</b>	489,496	845,086	1,181,695	1,557,325	4,149,474

\* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 3.7 **The forecast budget gap for 2021/22 is £75,871. This is 0.8% of the Net Budget of 20/21 of £9.6million.** A cumulative budget gap of £489,496 is predicted for 2022/23 (the £489,496 assumes that the 21/22 budget gap of £75,871 has not been closed). The cumulative aggregated Budget Gap by 2025/26 is £4.1 million, if no action has been taken in each individual year to close the budget gap annually.
- 3.8 The Government's Spending Review announcement on 25<sup>th</sup> November 2020 contained no real surprises for local government, and largely confirmed the assumptions previously made within the Medium Term Financial Strategy (MTFS) in October.
- 3.9 The Medium Term Financial Strategy on 22nd October 2020 set out a predicted budget gap of £137,871 for 2021/22. Since that report, two

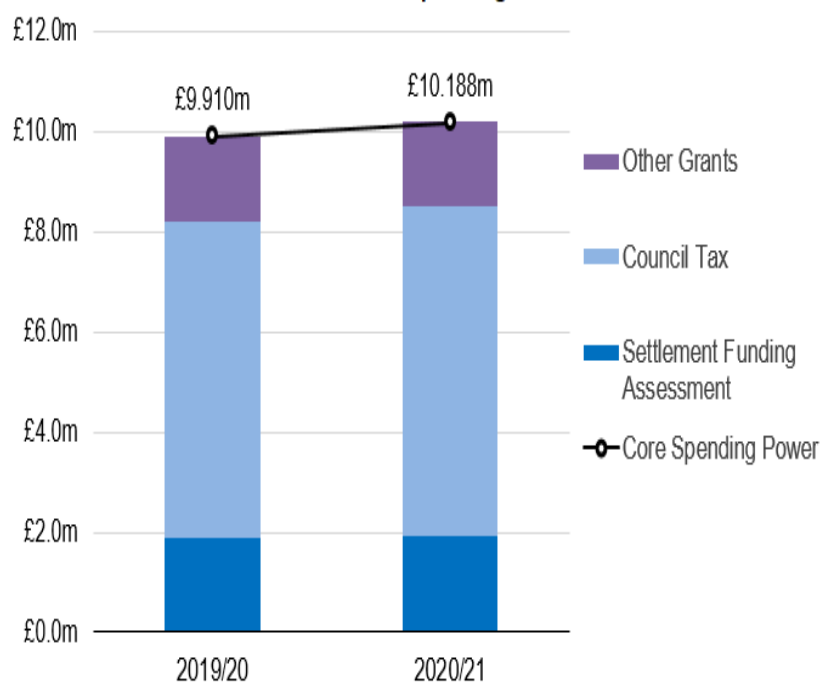
further areas for savings have been identified from items highlighted by the Spending Review announcement.

- 3.10 The two areas are:
- Pay Award – the assumption for a pay award has been reduced from 2% to 1% (see 3.2 for further explanation). The Government has implied that it expects local government to exercise restraint about pay, given the wider macro-economic climate.
  - The Spending Review confirmed that the business rates multiplier is being frozen for 2021/22, therefore the annual inflationary provision of £110,000 to provide for inflation and increases in goods and services (which includes business rates) has been reduced by £20,000 in 2021/22.
- 3.11 In addition, new Regulations for the spreading of the Collection Fund deficit (for Business Rates and Council Tax income) have been announced and the collection fund deficit for 2021/22 has been estimated at £29,000. This is an additional cost in 2021/22 to fund.
- 3.12 These areas together mean that the forecast budget gap for 2021/22 has decreased from £137,871 in the Medium Term Financial Strategy (October 2020) to £75,871 in these Draft Revenue Budget Proposals (December 2020) for 2021/22.

#### **4 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES**

- 4.1 In the Medium Term Financial Strategy (MTFS), it has been assumed that the Settlement Funding Assessment (SFA) will increase in line with inflation.
- 4.2 The SFA is essentially the business rates baseline and is the amount of money the Council retains from its share of the business rates income. The breakdown of the increase in SFA for 2020/21 is shown below.
- 4.3 The 'Core Spending Power' is a headline figure used by MHCLG to represent the key revenue resources available to local authorities, including an estimate of actual and potential council tax, as below. The Council now receives no main Government grant (Revenue Support Grant). In the Spending Review (SR) 2020, the Chancellor announced that Core Spending Power (a measure of a Council's resources) is forecast to rise by 4.5% nationally in cash terms next year (mainly due to anticipated council tax increases nationally).

**Chart 1 - Core Spending Power**



**Chart 2 – Core Spending Power (£m)**

	2019/20	2020/21	Change
<b>Core Spending Power</b>	<b>9.910</b>	<b>10.188</b>	<b>2.81%</b>
<i>Which consists of:</i>			
<b>Settlement Funding Assessment (Business Rates Baseline)</b>	<b>1.897</b>	<b>1.928</b>	<b>1.63%</b>
Assumed Council Tax	6.316	6.575	4.10%
New Homes Bonus	1.227	1.199	(2.28)%
Rural Services Delivery Grant	0.408	0.408	-
Other grants	0.062	0.078	25.8%

### **Business Rates and Negative Revenue Support Grant (RSG)**

- 4.4 The Business Rates Reset will be delayed to 2022/23. A reset based on the current taxbase would have been badly distorted by the current economic crisis, and very unlikely to reflect the potential business rates that authorities can collect in future years.
- 4.5 A one year 'rollover settlement' (with no negative Revenue Support Grant in 2021/22) is the most likely scenario now. This means the Council wouldn't have to forego some of its business rates income (£400,000) by paying some of it back to Government in the form of 'negative government grant' in 2021/22. Negative RSG is effectively the Council's further predicted funding cuts.

- 4.6 It is anticipated there will be a phasing in of negative RSG as part of the business rates baseline reset in 2022/23, with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go. Some of the negative RSG is expected to be offset by growth being dispersed across as Local Authorities.
- 4.7 Estimates have been made of the business rates baseline funding levels for 2021/22 onwards and the relative deductions for negative RSG. For example in 2019/20, the £2.155m is the amount the Council retains from its business rates income collected of £30 million (the Council keeps about 7p in every £1 collected of business rates to fund its services). The Council responded to the Government consultation on the Call for Evidence on Business Rates Reform. A joint response was also sent by the Devon Business Rates Pooling partners. A final report setting out the full conclusions of the Government review will be published in Spring 2021.

	<b>Business Rates Income projected in the MTFS (£m)</b>					
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Business Rates Income	2.155	2.350	2.398	2.344	2.387	2.320
Less: Negative RSG change to baseline need	0	0	(0.270)	(0.360)	(0.450)	(0.500)
<b>TOTAL</b>	<b>2.155</b>	<b>2.350</b>	<b>2.128</b>	<b>1.984</b>	<b>1.937</b>	<b>1.820</b>

### **Business Rates reliefs**

- 4.8 Aside from the retail relief, the other variance expected in business rates income in 2020/21 will be due to the businesses failing and subsequent reliefs. This is forecast at a -3% reduction in 2020/21, with a further 3% reduction in 2021/22. It is too early to tell the implications for the economy of COVID, other than the more general expectations of negative growth. See 4.20 on the Collection Fund.
- 4.9 The net collectable debt for Business Rates is £18.6 million for 2020/21. Prior to the pandemic, this was predicted to be £30million and the additional NNDR reliefs for the total value of the expanded retail discount and nursery discount for 2020/21 total £13.778million. Therefore over £13.7million worth of the Council's normal business rates bills issued of £30million (46%) are entitled to 100% business rates relief and have no

business rates to pay in 2020/21 due to the coronavirus expanded retail discount and nursery discount. This amount is being reimbursed to the Council by the Government through a Section 31 Grant.

- 4.10 The Council and SWCouncils are lobbying the Government for these business rates reliefs to continue into 2021/22. The Spending Review referred to a freeze in the business rates multiplier next year, as the multiplier was going to increase by 0.5% but will now be frozen. Many businesses are asking whether the business rates reliefs in 2020-21 will be extended into next year to support retail, hospitality and leisure businesses. The Government will make a decision on this in the New Year to respond to the 'evolving challenges presented by COVID-19'. If the Retail Discount is discontinued, then this will place more pressure on business rates income for Councils in 2021-22.
- 4.11 By October 2020, the Council has collected 58.4% of the net collectable debt. This is 6.76% lower than October 2019 – a cash reduction of £830,000. The lockdown in November may have had an impact on payment profiles. Hence a reduction of 3% is assumed. The 2019/20 collection rate for South Hams for business rates was 98.67%. The national average was 98%.

#### **Devon Business Rates Pool**

- 4.12 It is recommended that South Hams District Council continues to be part of the Devon Business Rates Pool for 2021/22, subject to there being no announcements within the Finance Settlement (expected to be announced in the week commencing 14<sup>th</sup> December), which in the opinion of the S151 Officer (in consultation with the Leader of the Council and the Portfolio Holder for Finance), would change this recommendation. Modelling has been carried out with the other Devon Authorities and Local Government Futures to inform this recommendation. A modest business rates pooling gain of £125,000 has been modelled for 2021/22 with no further gains for 2022/23 onwards.

#### **Council Tax**

- 4.13 The Council Tax Referendum limits for District Councils for 2020/21 was the higher of 1.99% or £5, for 2020/21. Although the Spending Review refers to a 2% limit for 21-22, we have interpreted this as being a simplified description of the limits that applied this year. Confirmation is not expected until the Local Government Finance Settlement but it is expected that the £5 limit for Districts will still apply for 2021/22. An increase in council tax of £5 for the next five years has been modelled for council tax purposes. ***This would equate to a Band D council tax for South Hams of £175.42 in 2021/22 as shown in Appendix B (an increase of £5 for the year (10 pence per week) which equates to a 2.93% increase.*** The council tax for 2021/22, the SHDC share, will be set at the Council meeting on 11th February 2021. (A 1% increase in council tax generates £66,000 of extra council tax income).

- 4.14 The table below shows how an average Band D council bill is made up for South Hams District Council for 2020/21 as compared to the previous year. Of an average Band D Council Tax within the District of £1,990.82, an amount of £170.42 is the element of a council tax bill set by South Hams District Council. Therefore 9pence of every £1 paid (9%) in council tax is received by South Hams District Council to pay for our services. The rest of the council tax bill is set by Devon County Council, the Fire, the Police and Town and Parish Councils to fund the services they provide.

<b>Precepting Authority</b>	<b>Band D 2019/20</b>	<b>Band D 2020/21</b>	<b>£ Increase</b>	<b>% Increase</b>
<b>South Hams District Council</b>	<b>£165.42</b>	<b>£170.42</b>	<b>£5.00</b>	<b>3.02%</b>
Devon County Council Precept	£1,286.19	£1,313.73	£27.54	3.99%
Adult Social Care Precept *	£98.10	£125.73	£27.63	
Devon & Cornwall Police & Crime Commissioner	£212.28	£221.64	£9.36	4.41%
Devon & Somerset Fire & Rescue	£86.52	£88.24	£1.72	1.99%
Average Parishes/Towns	£64.53	£71.06	£6.53	10.12%
<b>TOTAL</b>	<b>£1,913.04</b>	<b>£1,990.82</b>	<b>£77.78</b>	<b>4.07%</b>

- 4.15 A 1% reduction in council tax collection rates has been assumed for 2021/22 onwards. This may need to be revisited in future budget reports depending on the payment profiles being experienced in latter months of the year. As at the end of October 2020, 64.13% of the council tax has been collected. This is a decrease of 1.27% against the 2019/20 collection rates at the end of October. The 1.27% drop equates to £987,000 (SHDC share £89,000). See 4.20 on the Collection Fund.
- 4.16 The District Council is responsible for collecting all the Council Tax debt of £78m in 2020/21 as South Hams DC is the Billing Authority. After keeping 9% of the council tax collected to run the Council's services, the rest is paid over to Devon County Council, the Police, the Fire and Town and Parish Councils. The collection rate for Council Tax for South Hams was 98.3% for 2019-20. This was 1.5% higher than the national average of 96.8%.

- 4.17 More work will need to be carried out on the Council TaxBase calculations for 2021/22 onwards, following the Council TaxBase estimate form (CTB1) submission. The effect of an increase in working age claimants for Council Tax Support for 2021/22 onwards has been modelled. The TaxBase for 2021/22 has been estimated at 38,708 Band D Equivalent Properties, following some further analysis on estimates of housing growth and the impact of the Council Tax Support scheme. This will be firmed up in the next report as the Council TaxBase will be calculated towards the middle of December. The Council has written to Town and Parish Councils to advise that it would be prudent to budget for a 2% reduction in the TaxBase for 2021/22, to take into account the effect of a reduction in the council tax collection rate and also the impact of the Council Tax Support Scheme.
- 4.18 It has been assumed that the number of properties within the District will increase by 200 per annum from 2021/22 onwards. A low figure has been assumed to partly offset the impact of Council Tax Support on the Taxbase.
- 4.19 In 2020/21 the Government set no council tax referendum principles for Town and Parish Councils. It has not yet been announced by the Government whether any referendum principles will apply to Town and Parish Councils in 2021/22 onwards. This is expected to be announced in the Finance Settlement.

#### **The Collection Fund - Council Tax and Business Rates Income**

- 4.20 The Collection Fund holds all payments in and out relating to Council Tax and Business Rates. As such any losses incurred will be suffered by the Collection Fund in the year and then distributed to the Council and Precepting Authorities in future years. A large part of the reductions in income will affect the Council's financial position in 2021/22 onwards, although it does affect the cashflow position of the Council in 2020/21. In view of the exceptional conditions experienced in 2020/21, the Government has introduced Regulations requiring that the Collection Fund deficit this year be divided equally across 2021/22, 2022/23 and 2023/24. This is a one-off change to established practice.
- 4.21 Council Tax and Business Rates form a large share of the funding for the Council's budget and therefore these income streams are funding the essential services being delivered.
- 4.22 In the Spending Review 2020, the Government announced a Tax Income Guarantee Scheme for 2020-21. This new reimbursement scheme, worth £762m for 2020-21 local tax losses, will be launched to compensate councils for 75% of irrecoverable losses of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. This will be paid through an unringfenced grant. Further details of this scheme and how irrecoverable losses will be calculated are awaited.



## Rural Services Delivery Grant

- 4.23 Rural Services Delivery Grant has been modelled to continue for 2021/22 onwards at previous levels (£81m nationally – SHDC share of £408,055) and the methodology for distribution to remain unchanged from 2020/21. The Council will continue to lobby on the basis that the £81m should be increased. This is Government grant to recognise the additional cost of delivering services in rural areas.

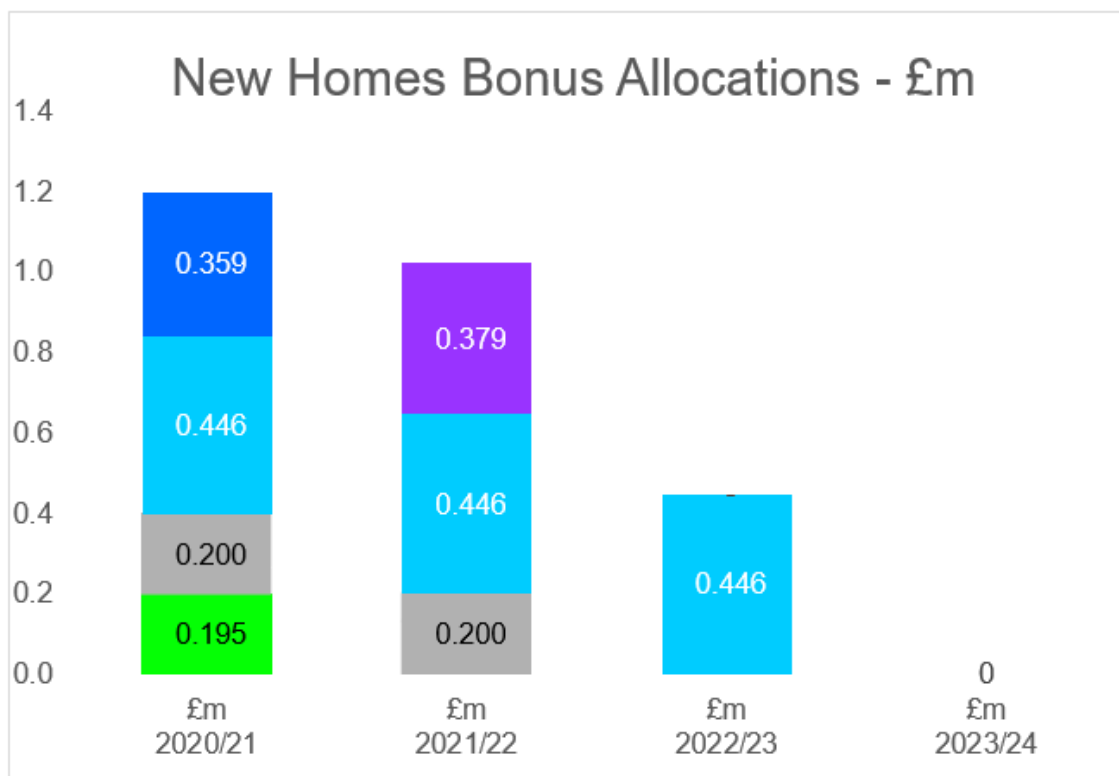
## New Homes Bonus (NHB)

- 4.24 In theory, the New Homes Bonus (NHB) scheme is being phased-out although consultation on any replacement has been deferred for a further year. The Spending Review has merely confirmed that for 2021/22 the scheme will continue to operate, albeit with no further legacy payments.
- 4.25 On 25 September, the Ministry for Housing, Communities & Local Government wrote to local authority Chief Finance Officers to request Council Tax Base data. The letter notes that the planned Spring consultation on the future of the New Homes Bonus (NHB) has been delayed. Authorities are asked to provide the usual data relating to NHB calculations, which “may be needed in calculating the bonus”, though no firm commitment as to the form this may take was given. The Council’s New Homes Bonus allocation for 2020/21 was £1.199 million as shown below.

New Homes Bonus	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
2017/18 allocation	0.195			
2018/19 allocation	0.200	0.200		
2019/20 allocation	0.446	0.446	0.446	
2020/21 allocation	0.359			
2021/22 forecast allocation		0.379		
2022/23 forecast allocation			-	
<b>Equals NHB Funding</b>	<b>1.199</b>	<b>1.025</b>	<b>0.446</b>	<b>-</b>

*This legacy payment is assumed not to apply - confirmation is awaited*

*No future years' allocations assumed*



4.26 If the legacy payments for NHB from previous years are honoured by the Government, this would equate to £646,000 in 2021/22. In light of the recent Government letter accompanying the CTB1 return issued on 25<sup>th</sup> September, it is reasonable to assume that a further allocation for 2021/22 (at least £100,000) will also be made.

4.27 The modelling in the MTFS therefore assumes NHB funding of £746,000 in 2021/22 will be available to fund the revenue base budget (this is the legacy payments plus an anticipated £100,000 allocation for 2021/22). The 2021/22 allocation (Year 11) could be higher than £100,000 and could be as much as £379,000 (shown in purple), which would result in 2021/22 allocation of NHB of £1.025 million as shown. It is expected actual allocations will be announced with the provisional finance settlement in the week commencing 14<sup>th</sup> December. The Government will consult on reforms to the New Homes Bonus scheme shortly, with a view to implementing reform in 2022-23.

**Other assumptions within the Medium Term Financial Strategy (MTFS)**

4.28 The last pay award offer for 2020-21 was 2.75%. A 1% pay increase has been modelled from 2021/22 onwards (1% equates to £70,000). The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.

- 4.29 This report assumes inflation will run at 1% over the five year period. The Consumer Prices Index (CPI) was 1.0% in July 2020. RPI was 1.6%. CPI in September – the reference point for business rate increases and many welfare benefits – was 0.5%.
- 4.30 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates will remain at 0.75% up to March 2021. By March 2022 the bank base rate is predicted to increase to 1.25%.

## **SAVINGS**

- 4.31 On 24 September 2020 Council considered a report on strategic leisure options. It was agreed to continue with the Fusion contract as being the most appropriate means of supporting health and wellbeing objectives within the District. The savings from the re-profiled management fees from the leisure contract have been built within the Medium Term Financial Strategy. Management fees are repayable from 2021/22.
- 4.32 Members have a future opportunity as to whether to implement a charged garden waste service from April 2022. A proposed annual charge of £40 for an opt in service, could release net income of £250,000 in the first year, rising to £400,000 in following years with a 20% participation rate. If participation rates are higher, income of up to £700,000 per annum could be achieved. These potential savings have not been reflected within the Medium Term Financial Strategy as Members have not yet taken a decision on charged garden waste.
- 4.33 The Medium Term Financial Strategy on 22nd October 2020 set out a predicted budget gap of £137,871 for 2021/22. Since that report, two further areas for savings have been identified from items highlighted by the Spending Review announcement.
- 4.34 The two areas are:
- Pay Award – the assumption for a pay award has been reduced from 2% to 1% (see 3.2 for further explanation). The Government has implied that it expects local government to exercise restraint about pay, given the wider macro-economic climate.
  - The Spending Review confirmed that the business rates multiplier is being frozen for 2021/22, therefore the annual inflationary provision of £110,000 to provide for inflation and increases in goods and services (which includes business rates) has been reduced by £20,000 in 2021/22.

## **5 PARTNERSHIP FUNDING AND GRANTS**

5.1 At the Executive meeting on 19<sup>th</sup> December 2019, Members considered future Partnership funding and grants. The relevant Minute (Minute 63) is attached below.

### **Partnership Funding**

Members were presented with a report that provided feedback from each of the partners that the Council currently funded. Members were asked to consider the merits of each partner submission and decide which partners they would like to enter into a three year funding agreement with.

The Lead Members for Communities and Wellbeing introduced the report. Members had a detailed discussion on this item, and non-Executive Members were included in the debate. Whilst acknowledging that these were to be subject of discussion during the draft 2020/21 Revenue Budget Setting process, the following recommendations reflect the decision of the Executive in respect of the partner submissions that were submitted. The total amount of funding allocated was £89,647. This amount was £7,000 less than the amount currently committed for partnership funding. Additional funds were recommended to support the Ivybridge Ring and Ride, and the SH CVS funding (£10,000) was recommended for withdrawal on the basis of a lack of clear financial information within their submission.

It was then:

**RESOLVED** that:

1. the feedback given by each partner as shown in presented Appendix A was considered based on
  - a. local need
  - b. alignment to the Council's Corporate Strategy
  - c. statutory duty; and
2. the following partners be awarded funding for the next three years of the following amounts per annum, subject to endorsement through the 2020/21 Revenue Budget setting process:
  - a) South Devon Area of Outstanding Natural Beauty Partnership - £20,700
  - b) South Hams Citizens Advice - £51,867
  - c) South Hams Community Volunteer Service - £0
  - d) Ivybridge Ring and Ride - £5,710
  - e) Totnes & Dartmouth Ring & Ride (Newton Abbot Community Transport Group) - £7,370
  - f) South West Youth Games - £0
  - g) South Hams Museums Group - £4,000

The total amount of funding allocated in the Executive meeting on 19<sup>th</sup> December 2019 was £89,647 as above. The current partnership funding in the base budget is £96,647.

At Council on 13<sup>th</sup> February 2020, it was resolved:-

That Partnership funding levels be as set out within Section 2.38 of the Revenue Budget Proposals to the Executive on 6 February 2020, with the addition of £10,000 to the South Hams CVS for 2020/21 only, subject to the organisation demonstrating that it meets the criteria set out at Section 2.38 of the Revenue Budget report, with the additional £3,000 required to be taken from Unearmarked Reserves in 2020/21.

## **6 Treasury Management and Borrowing Strategy**

- 6.1 The Council has taken external treasury management advice on the Council's overall borrowing levels and debt levels. The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million in 2019. It is recommended that this limit is retained as the Council's circumstances and financial indicators have not changed since this work was carried out.
- 6.2 In March, the Government launched a consultation on reforms to the Public Works Loan Board intended to prevent the trend, in a minority of local authorities, of taking on debt to buy assets primarily for income.
- 6.3 In the Spending Review 2020, the Government has announced the outcome of the consultation and has lowered the interest rate of Public Works Loan Board lending by 1%. This brings Public Works Loan Board interest rates back to the levels they were at before October 2019. Local Authorities will be asked to submit a high-level description of their capital spending and financing plans for the following three years, including their expected use of the PWLB.

## **7 FEES AND CHARGES**

- 7.1 A Fees and Charges Appendix will be considered at a meeting of the Joint Development Management Committee and Overview & Scrutiny Panel on 14 January 2021.
- 7.2 No permanent reductions to the Council's income streams (such as ferry income, car parking income, planning income etc. as a result of the Covid pandemic) have been built into the Base Budget for 2021/22. This will be regularly monitored over the next few months. The Government's income compensation scheme for sales, fees and charges for Councils will only run for the first three months of 2021/22, so any losses from July onwards will have to be addressed by the Council's own finances.

## 8 FINANCIAL SUSTAINABILITY AND TIMESCALES

8.1 The Council will assess various options for closing the budget gap for 2021/22 onwards, to achieve long term financial sustainability. The table below sets out a timescale for those options and the various strands that the Council is exploring.

Option	Possible Budget Impact	Timescale
<p><b>Extended Leadership Team (ELT) Budget options</b>            The Extended Leadership (ELT) will continually look to identify budget options for Members to consider for income generation/savings/reduced expenditure for 2021/22 onwards, taking into consideration the Council's corporate strategy and the latest budget monitoring position. Fees and Charges will be considered at the meeting of Joint Development Management Committee and Overview &amp; Scrutiny Panel on 14 January 2021.</p>	<p>To be quantified</p>	<p>As per the Budget Timetable outlined in 11.3</p>
<p><b>Monthly Revenue Budget Monitoring reports</b>            Regular Revenue Budget Monitoring reports also highlight possible areas of future savings and additional income</p>	<p>To be quantified</p>	<p>Options to be assessed as per the Budget Timetable outlines in 11.3</p>
<p><b>Asset and Accommodation Review</b>            Members and Officers are assessing options for the Council's Asset review.</p>	<p>To be quantified</p>	<p>On-going</p>
<p><b>Charged Garden Waste</b>            Members have a future opportunity as to whether to implement a charged garden waste service from April 2022. A proposed annual charge of £40 for an opt in service, could release net income of £250,000 in the first year, rising to £400,000 in following years with a 20% participation rate. If participation rates are higher, income of up to £700,000 per annum could be achieved.</p>	<p>Net income could be as high as £250,000 in the first year, rising to £400,000 in the following years.</p>	<p>Future decision of the Council            These potential savings have not been reflected within the Medium Term Financial Strategy as Members have not yet taken a decision on charged garden waste.</p>

Option	Possible Budget Impact	Timescale
<b>Funding Options</b>		
<p><b>Contributions to Earmarked Reserves</b></p> <p>The Council could chose to reduce some of its contributions to Earmarked Reserves currently budgeted for 2021/22 as set out in Appendix D. For example the Council may wish to consider whether it continues to make the following contributions to Earmarked Reserves in 2021/22:-</p> <p>Capital Programme Reserve (£181,600) Repairs and Maintenance Reserve (£80,000) Planning Reserve (£50,000)</p>	<p>As set out in Appendix D</p>	<p>To be decided as part of the Budget Setting process for 2021/22</p>
<p><b>New Homes Bonus allocations for 2021/22 onwards</b></p> <p>The Council is awaiting details of the precise scheme that will apply in 2021/22. See 4.24 to 4.27 of the report.</p> <p>There is also an unallocated balance (currently £235,016) of New Homes Bonus from 2020/21, which has been transferred into the New Homes Bonus Earmarked Reserve, with its future use to be decided when more details are known about the Spending Review and following a Government consultation document on a replacement scheme for NHB.</p>	<p>To be assessed. It is not known what NHB allocations (or a similar scheme) will be in future years when the NHB scheme is replaced.</p>	<p>Awaiting further announcements from the Government</p>
<p><b>Use of Earmarked Reserves as a temporary measure</b></p> <p>The Council could temporarily utilise an element of Earmarked Reserves to balance an element of the 2021/22 budget, whilst longer term solutions are being implemented.</p> <p>This would be a very short term solution though.</p>	<p>To be assessed</p>	<p>To be decided as part of the Budget Process</p>

- 8.2 Through the budget setting process, further measures will continue to be considered to balance future years' budget positions.
- 8.3 Financial Stability is one of the themes within the Recovery and Renewal Plan. The action plan, setting out the areas being progressed and the timescales within which this will take place, was set out in Appendix 1 of the Recovery Plan.
- 8.4 The Revenue Budget Monitoring report (Month 7) for 2020-21 is projecting an underspend of £69,000, which is 0.7% of the overall budget set for 2020/21 of £9.41 million.

## **9 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING**

- 9.1 The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing. The Capital Budget Proposals for 2021/22 will be a separate report to the Joint Development Management Committee and Overview & Scrutiny Panel on 14 January 2021.
- 9.2 **Investment Property Strategy** – The Council has agreed an Investment Property strategy. To date, Investment Properties have a value of £19.156 million in aggregate as at 31.3.2020.
- 9.3 Purchases made within the strategy are capital expenditure. An income projection of £75,000 from the net ancillary income from investments in Investment property has been included within the 2020/21 Base Budget.
- 9.4 The Council's Asset Base is £99 million at 31 March 2020. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.

## **10 Earmarked and Unearmarked Reserves Policy**

- 10.1 As part of the Budget Workshop on 27<sup>th</sup> August, the Council also undertook a review of its Earmarked Reserves through reviewing the commitments against the Earmarked Reserves, its unallocated balance and the contributions to/from Earmarked Reserves for 2020/21 also.
- 10.2 A schedule of Earmarked Reserves is attached at Appendix C , which shows Earmarked Reserves have a projected balance of £10.254 million at 31.3.2021. Reserve levels will be kept under constant review.
- 10.3 The Council's level of Unearmarked Reserves currently stands at £1.898 million. The underspend reported in this report of £69,000 would be added to Unearmarked Reserves, increasing the Unearmarked Reserves to £1.967 million. However, as part of the Amended Budget, Council agreed to use £200,000 from Unearmarked Reserves to fund the Base Budget. Accordingly this gives a year end balance of £1.767 million.



- 10.4 As part of the Medium Term Financial Strategy and at Council in February 2020, Members have set a minimum balance for Unearmarked Reserves of £1.5 million, based on a risk assessment basis and a sensitivity analysis. Therefore the current level of £1.767m is still above the minimum level set of £1.5m.
- 10.5 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances (this was recommended at £1.5million being the minimum level). Since February 2020, the financial risks which all Councils face will have increased. Section 25 of the Local Government Act 2003 requires the S151 officer to report on the adequacy of the Council's financial resources on an annual basis.
- 10.6 Measures to replenish £200,000 of unearmarked reserves will be continually reviewed as part of the budget setting process. The Council is currently awaiting details of the Finance Settlement.
- 10.7 As set out in the report to Council on the Amended Budget for 2020/21, all other uncommitted amounts in all other Earmarked Reserves (see Appendix C) will remain subject to review, with the exception of Reserves for the Salcombe Harbour Board, as these are subject to decisions by the Salcombe Harbour Board.
- 10.8 In view of the relatively modest budget gap predicted for 2021/22 of £75,871 set out in this report (based on current assumptions), limited spending of Earmarked Reserves will be considered to support wider corporate objectives.

## **11 NEXT STEPS AND PROPOSED WAY FORWARD**

- 11.1 The MTFS is the starting point for developing a meaningful five year strategy that sets out the strategic intention for all of the different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions.
- 11.2 Officers will continue to work with the Executive and the results of this will be incorporated into future Budget reports. Section 8 sets out the potential timescales against the areas identified.

11.3 The Council awaits the details of the Government's Finance Settlement announcement which will enable the Council to further firm up some of the assumptions within the Medium Term Financial Strategy.

17th December 2020	Executive – To consider draft proposals for the Revenue Budget for 2021/22.
14 January 2021	Joint Development Management Committee and Overview & Scrutiny Panel - To consider draft proposals for the Revenue and Capital Budget for 2021/22.
28 January 2021	Executive – To recommend Final Budget Proposals to Council for 2021/22
<b>8th February 2021 (9am)</b>	<b>Date which Council Procedure Rule 16 applies</b>
11th February 2021	Full Council – To approve Final Budget Proposals for 2021/22 and set the SHDC share of the Council Tax
23 February 2021	Council Tax Resolution Panel – to agree the Council Tax Resolution for 2021/22 (This is SHDC share plus all other precepting authorities share).

**Note 1-** Council Procedure Rule 16 states that ‘Where a member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Head of Paid Service by 9am on the third working day before the meeting, in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment’. As per the timetable above, this would need to be submitted by 9am on Monday 8th February 2021.

## 12. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Executive is responsible for recommending to Council the budgetary framework. It is the role of the Overview and Scrutiny Panel to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget report is evidence of whether the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p>
Financial implications to include reference to value for money		<p><b><i>The forecast budget gap for 2021/22 is £75,871. This is 0.8% of the Net Budget of 20/21 of £9.6million. A cumulative budget gap of £489,496 is predicted for 2022/23 (the £489,496 assumes that the 21/22 budget gap of £75,871 has not been closed).</i></b></p> <p>The cumulative aggregated Budget Gap by 2025/26 is £4.1 million, if no action has been taken in each individual year to close the budget gap annually.</p> <p>The recommendations adopted and the annual budget setting process will ensure the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Council's auditors, Grant Thornton, provided an unqualified value for money opinion for the District Council for 2019-20, which was reported to the Council's Audit Committee in October 2020.</p>
Risk		<p>Each of the budget options taken forward by Members will consider the risks of the option.</p>
Supporting Corporate Strategy		<p>The Budget report supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.</p>

Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and the potential for this to have significant financial implications for the Council was highlighted.</p> <p>A Climate Change Action Plan was presented to Council in December 2019. Following this report, a strategy will be implemented as to how the Council could finance the items within the Action Plan, whether that is from external grant sources or some funding from the Council's own resources. The Council has Earmarked £400,000 in a Climate Change Earmarked Reserve as part of the 2020-21 Budget.</p> <p>There is a report being presented to Council on 17<sup>th</sup> December 2020 'Climate Change and Biodiversity Strategy and Action Plan update'. This report recommends that the Climate Change and Biodiversity Strategy is adopted. The report also sets out the proposed initiatives for the £400,000 in the Climate Change Earmarked Reserve. (£20,000 has already been allocated to support the delivery of work to improve the energy efficiency of the existing housing stock in light of the successful Green Homes Grant bid – Minute E.31/20 refers).</p>
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		Equality Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

### **Supporting Information**

#### **Appendices:**

Appendix A – Budget pressures and savings

Appendix B – Modelling of the Budget Position

Appendix C - Schedule of Earmarked Reserves

Appendix D – Contributions to & from Earmarked Reserves

**Background Papers:**

Council 17<sup>th</sup> December 2020 – Climate Change and Biodiversity Strategy and Action Plan update

Executive 17<sup>th</sup> December 2020 – Revenue Budget Monitoring report (Month 7)

Council 24<sup>th</sup> September 2020 – Amended Budget Proposals 2020-21

Council 24<sup>th</sup> September 2020 – Climate Change and Biodiversity Strategy and Action Plan Update

Council 24<sup>th</sup> September 2020 – Strategic Leisure Options (Fusion Update)

**Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Heads of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>