

Committee:	Cabinet
Date:	22 January 2019
Title of Report:	Reconciling Policy, Performance and Resources (RPPR)
By:	Chief Executive
Purpose of Report:	To ask Cabinet to approve the draft Council Plan, Council Tax levels, Revenue Budget and Capital Programme for recommendation to the County Council

RECOMMENDATIONS:

Cabinet is recommended to:

- 1. recommend County Council to:**
 - i. Approve in principle the draft Council Plan at Appendix 4 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;**
 - ii. Increase Council Tax by 2.99%;**
 - iii. Issue precepts accordingly to be paid by Borough and District Councils in accordance with the agreed schedule of instalments at Appendix 5;**
 - iv. Approve the net Revenue Budget estimate of £375m for 2019/20 set out in Appendix 1 (Medium Term Financial Plan [MTFP]) and Appendix 2 (Budget Summary) and authorise the Chief Operating Officer, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the Budget Summary to reflect the final settlement and final budget decisions;**
 - v. Approve the Capital Strategy and Programme for 2018–2023 at Appendix 7;**
 - vi. Note the MTFP forecast for 2019/20 to 2021/22, set out in Appendix 1;**
 - vii. Note the comments of the Chief Finance Officer on budget risks and robustness, as set out in Appendix 8;**
 - viii. Note the comments from engagement exercises set out in Appendix 9; and**
 - ix. Note the schedule of fees and charges that have increased above inflation at Appendix 6.**
 - 2. agree that Chief Officers consult, where appropriate, on the savings proposals set out in Appendix 3.**
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1. Introduction

1.1 The County Council continues to play a key role in the quality of life of the residents, communities and businesses of East Sussex through services, employment, purchasing and how we work in partnership with others. Against a background of ever diminishing resources and increasing demand, especially in social care, the County Council has been working over the last eight years to ensure that the core set of services and infrastructure most needed from the Council is available to residents and businesses. Our activity is captured each year in a detailed Council Plan which covers what we will do and the specific targets we will use to judge our performance during the year. The Council Plan, revenue budget and capital programme are fully integrated through our business planning process.

1.2 Robust and innovative management and strong partnership means we have transformed the way the Council works and made savings of £129m between 2010 and 2019. We have done everything possible to make the most of the money available. We have a joint

back office function with Surrey County Council and Brighton & Hove City Council; we have implemented excellent arrangements in Children's Services which have helped us to avoid the level of rise in the number of children being taken into care that has been seen elsewhere in the country; and we have put in place some excellent services to support health and social care integration.

1.3 Making savings on this scale has not, however, been easy or without impact on front line services and residents. The Council has had to reprioritise its investment and reduce the extent and breadth of its service offer. This has meant significant impacts in community based Adult Social Care (ASC) services, in assessment and care management staffing levels, in the universal youth service offer, in the libraries and cultural offer and the amount spent on the highways network and the public realm. The scale of the savings the Council has needed to make to date and the continued pressure on budgets in the future mean that, despite continuing commitment to maximise efficiency and generate income, it will have to concentrate services on those in most urgent need. Currently we spend 66% of our net revenue budget on Children's Services and Adult Social Care and only 16% on the universal services provided by Communities, Economy and Transport.

1.4 While the proposed budget is balanced for 2019/20, this does include making proposed savings of £5.1m. There is an estimated deficit of a further £21.2m for the following two years, with only savings of £7.2m so far identified to meet the gap. The need for further lobbying for sufficient funding remains urgent and significant, particularly for 2020/21.

1.5 Local Government has to date borne the brunt of austerity and the savings it has been required to make are higher than in most areas of government expenditure. All councils, particularly those with high levels of social care demand, are facing real challenges. Our demography means, however, that we have already had to make choices that others are only just beginning to face in order to meet the needs of our vulnerable elderly people, whilst continuing to provide a basic level of service to the rest of our population.

1.6 The Council's net budget comprises three main funding elements: Council Tax, Business Rates and Government grant. As part of its national deficit reduction plans, the Government has been reducing its grant to local government and will cease to provide a Revenue Support Grant to local government in 2020/21 when Business Rates Retention, incorporating the outcome of the Fair Funding Review, will be introduced.

1.7 Spending and savings decisions need to take account of local circumstances. Some of the key factors influencing our choices are:

- the County's residents are poorer than average for England with full time earnings below the national average: this affects health and wellbeing; increases service demand and limits the affordability of Council Tax rises;
- poor transport infrastructure and connectivity which, combined with environmental designations, limits business growth – especially that which generates Business Rates: this leads to poor local wages; poor quality jobs and means that the Council's income gap cannot be filled by business rate growth;
- the county's demography – East Sussex has the second highest proportion of older people in the country and, in line with national trends, the number of vulnerable young people needing support is rising.

1.8 The Council has been able to meet the challenge of delivering savings so far by having a clear focus on our four priority outcomes, which are delivered through our services and service change programmes. Our "One Council" approach has provided a collective view about our priorities and investment choices, and uses strategic commissioning disciplines to direct our activities to maximise the delivery of the agreed priority outcomes of driving sustainable economic growth, keeping vulnerable people safe, helping people help themselves, and making best use of resources.

1.9 Our Reconciling Policy, Performance and Resources (RPPR) process matches available resources with our delivery plans for our priority outcomes. It has enabled us to give relative protection to activity that delivers our priority objectives most effectively. The RPPR process has been applied across all services in the development of the Council Plan (Appendix 4) supported by the MTFP (Appendix 1) and Capital Programme (Appendix 7) set out in this report.

1.10 As agreed by County Council previously, the Capital Programme provides only minimum basic need provision. This includes essential budgets for school places and highways infrastructure.

1.11 This report sets out:

- changes to the national context since the report to Cabinet on 13 November 2018;
- an update on progress on the 2018/19 Council Plan and budget;
- the draft Council Plan 2019/20 and updated MTFP;
- proposals for the 2019/20 revenue budget, taking account of changes in the financial picture since November and based on an increase in Council Tax of 2.99%;
- the savings requirement across the Council including changes since November and final savings proposals;
- the Capital Programme update and the rationale on which it has been developed; and
- feedback from engagement exercises and equalities impacts.

2. National Context and Lobbying

2.1 We have significantly increased our lobbying work in the last year both directly to the Government and with our local, neighbouring and national partners to lobby Government. This work has included using the Core Offer approach (covered elsewhere on this agenda).

2.2 The part of the Provisional Local Government Finance Settlement contained very welcome additional one off funding for social care of £4.4m and for adult social care winter pressures of £2.6m (although this will be aligned within the Better Care Fund and so is not included within the MTFP). It also included East Sussex being a business rate pilot during 2019/20. This will potentially bring £4.3m additional funding to the county area including for ESCC an estimated additional £1.6m. This is in addition to the existing business rate pool which brings £3.2m into the county, split between the County Council, Borough and District Councils and East Sussex Fire and Rescue Authority.

2.3 The Government has announced additional special educational needs and disability (SEND) funding over the next two years. The Council will receive £1.1m in each of 2018/19 and 2019/20 as additional funds to the High Needs block of the Dedicated Schools Grant. This recognises the additional pressure this block is under nationally with increased numbers of Education, Health and Care Plans (EHCPs) and non-maintained school placements.

2.4 These new funding streams are very welcome and show that the lobbying the County Council and others have been carrying out is starting to be effective. They are however one-off. They will be used as part of the measures to close the funding gap for 2019/20 and across the three year planning period. They do not affect our three year savings estimate captured in the MTFP. The proposed budget is balanced for 2019/20 but includes proposed savings of £5.1m (see appendix 3). There remains an estimated deficit of a further £21.2m for the following two years, with savings of £7.2m identified so far and significant doubt about our ability to identify significant further savings. This means the need for further lobbying remains significant.

2.5 We will continue to develop the current approach make very best use of the resources we have and to develop our MTFP but lobbying the Government for a permanent and sustainable funding solution for local government which takes account of demography and the real needs of local people and which does not place the whole funding burden on local tax

payers and businesses will remain a key activity. This will focus on the Comprehensive Spending Review expected this year.

2.6 Consultation papers on Business Rates Retention and the Fair Funding Review were also published with the settlement, with a closing date of 21 February. The County Council's response will be considered by the Lead Member for Strategic Management on 20 February.

2.7 The unfunded growth in the needs of our elderly population is putting a strain on both local authority and health finances. The Green Paper which was anticipated to look at how services to older people could best be provided continues to be delayed. A permanent solution is unlikely to be available before the temporary funding the Government has made available runs out.

3. Council Plan

3.1 The way in which the Council will use all its resources is captured in the draft Council Plan (Appendix 4). The Council Plan continues to be built on the Council's four overarching priority outcomes: driving sustainable economic growth; keeping vulnerable people safe; helping people help themselves; and making best use of resources. Making best use of resources is the priority test through which any activity must pass. The remaining three priority outcomes guide our activities, direct our resources and are reflected in our Council Plan activities and targets.

3.2 The Council Plan contains the targets and milestones used to judge our performance. The Cabinet and County Council actively consider performance during the year and may decide to adjust targets to reflect any changed circumstances. As resources tighten further, our ambition in some areas will be to maintain performance at current levels rather than seeking improvement. Defining clearly the outcomes we wish to achieve and monitoring our success in delivering these outcomes for the county's residents, communities and businesses is critical. We also keep track of a wide range of key data about East Sussex and related to our priority outcomes. These help us to assess our impact more fully and respond appropriately when we need to do so. Key data will be monitored annually as part of the State of the County report.

3.3 The Council Plan provides a summary for each strategic priority including planned actions and targets for the next three years. It is still work in progress until final budget allocations are made and firm targets can be set. It will be published in April 2019 and refreshed in July when final performance outturn figures for 2018/19 are available. Authorisation is sought for the Chief Executive to make final changes pre and post publication in consultation with Lead Members, as appropriate.

4. Progress with Council Plan & Budget 2018/19 since Quarter 2 (Q2)

4.1 Overall progress against Council Plan remains as reported to Cabinet on 11 December 2019. This section provides an update on some specific developments since then.

4.2 The Department for Digital, Culture, Media & Sport (DCMS) is providing funding to stimulate the development of Local Full Fibre Network (LFFN) Schemes. LFFN schemes will provide sustainable, high-speed, high-capacity network connectivity services. We submitted an expression of interest to DCMS at the end of September outlining a possible Full Fibre infrastructure project within East Sussex, and have been invited to develop a business case. The scheme will be included within the Council's Capital Programme, subject to the council's bid to DCMS being approved and receipt of the DCMS funding.

4.3 The Government has set a statutory target for all public sector organisations with 250 or more staff to employ at least 2.3% of their staff as new apprenticeship starts. Based on current headcount, this equates to 225 apprentices: 102 in the Council and 123 in Schools. All

public sector bodies were required to publish details of their progress against this target by 30 September 2018. League tables were published on the 22 November 2018; we achieved 1.1% against the 2.3% target which puts us joint 4th highest amongst county councils.

4.4 The number of Looked After Children (LAC) has increased from the 620 reported at quarter 2 to 627 on 14 December 2018. This is above the target of 625 children for the “Rate of Looked After Children (per 10,000 children)” Council Plan measure. The increase is due, in part, to a higher number of Unaccompanied Asylum Seeking Children (UASC). There were a high number of UASC LAC admissions in November increasing the number to 27, compared to the 17 reported at quarter 2.

4.5 Q2 revenue forecasts have been updated. There is no change to the projected year-end overspend in service departments of £4.4m. Business Rates income is expected to increase by £0.3m as previously reported. The forecast underspend in Treasury Management has increased to £1.2m (£0.8m at Q2); the impact of the part-year interest saving resulting from the decision to make early repayment of the LOBO loans with RBS. Additionally MHCLG has now confirmed that the Business Rates Levy account surplus allocation of £1.1m will be received in 2018/19 rather than 2019/20 and therefore will add to the predicted underspend.

4.6 The underspend in Centrally Held Budgets will be used to offset the service overspend. The general contingency provision of £3.5m will support any remaining service overspend, with the net balance contributing to or drawing from reserves.

4.7 The capital programme has slipped by a further net £2.0m since quarter 2, comprised of £3.3m slippage offset by £1.3m spend in advance. This is reflected in Appendix 7 – Capital Programme update.

5. Revenue Budget 2019/20

5.1 The RPPR Report to Cabinet on 13 November 2018 detailed the MTFP projections for 2019/20 -2021/22. Since then focus has been on three areas of search to close the projected gap: cost of operations, financing and a number of national funding decisions, including:

- further announcements in the final Local Government Settlement;
- the Fair Funding Review: due to be implemented in 2020/21;
- Business Rates Retention (BRR): the longer term model for BRR has yet to be announced and will be informed by the learning from the 75% BRR Pilot for 2019/20, in which East Sussex is a participant;
- Comprehensive Spending Review 2019 which will impact from 2020/21; and
- Older People Social Care Green Paper, which continues to be delayed.

5.2 Changes to the MTFP since the November Cabinet report are set out below

	Ref	19/20 Estimate £million	20/21 Estimate £million	21/22 Estimate £million	Total Estimate £million
Cabinet 13th November 2018 DEFICIT/(SURPLUS)		16.725	19.610	9.366	45.701
Savings	1	(5.131)	(5.208)	(1.972)	(12.311)
		11.594	14.402	7.394	33.390
National Funding					
Council Tax Base D&B update in Dec	2	0.456	0.014	0.014	0.484
Council Tax Collection Fund D&B update in Dec	3	0.176	(0.176)		
New Homes Bonus: update for 2018 Housing Data	4	0.111	(0.111)		
New One off Funding					
Business Rates Pilot	5	(1.600)	1.600		
Social Care Support Grant 19/20	6	(4.417)	4.417		
Cost of Operations					
ASC: Growth & Demography	7	(1.462)	(1.460)	(1.800)	(4.722)
ASC: Change in Care Contracts Inflation	8	(2.398)	(2.557)	(2.656)	(7.611)
CSD: Growth & Demography	9	(1.052)	1.052		
CSD: service pressures inc. Home to School Transport	10	0.478	0.248		0.726
CET: service pressures, Waste Housing Growth	10	(0.005)	0.006	0.011	0.012
BSD: service pressures, IT&D licences	10	(0.153)			(0.153)
Change in General Inflation	11	0.020	(0.759)	(0.614)	(1.353)
Levies and Grants	12	(0.019)	0.007		(0.012)
General Contingency change	13	0.030	(0.010)	0.010	0.030
Financing					
Treasury Management Strategy; MRP Review	14	(2.140)	0.587	0.321	(1.232)
Treasury Management Strategy; Target for reduced cost of carry	15	(0.500)	(0.500)	(0.500)	(1.500)
Revenue Contribution to Capital; remove for MTFP term	16	(4.000)			(4.000)
Contribution to balances and reserves	17	4.881	(4.881)		
DEFICIT/(SURPLUS)		0.000	11.879	2.180	14.059

5.3 The changes to the MTFP shown above are as follows:

National Funding

- Savings** – In reviewing and taking the opportunity to re-profile savings it is proposed to move £713k of savings from 2019/20 to 2020/21. Final proposals are set out in Appendix 3 and the changes outlined in paragraph 7 below.
- Council Tax Base** – An updated estimate was provided by the District and Borough Councils in December 2018. They have advised that this is likely to change before the end of January. The final position will be updated for County Council (any balance will be managed through reserves).

3. **Council Tax Collection Fund** – The final position will be provided by District and Borough Councils. This may be later than County Council (any balance will be managed through reserves).
4. **New Homes Bonus (NHB)** – it is proposed that NHB is used to contribute to revenue in 2019/20. The NHB figures have been updated to reflect data on actual housing growth from District and Borough Councils at November 2018.
5. **Business Rates Pilot** – East Sussex will be a business rate pilot. The MTFP has been updated with the estimated £1.6m gain from the pilot.
6. **Social Care Support Grant 2019/20** – The Provisional Local Government Financial Settlement confirmed the funding announced at the Autumn Budget for social care. This one-off grant is aimed at ensuring that adult social care pressures do not create additional demand on the NHS and can also be used to improve the social care offer for older people, people with disabilities and children. This funding will be used to mitigate service pressures.

Cost of Operations

7. **Adult Social Care: Growth and Demography** – A Growth and Demography review has been undertaken and figures updated to reflect the impact of changing service models in recent years.
8. **Adult Social Care: Change in Care Contracts Inflation** – The introduction of the National Living Wage (NLW) in 2016 was recognised as a significant additional inflationary factor however the impact of the NLW has now been reflected within CPI indices for two years; therefore CPI will be used to reflect inflation from 2019/20 onwards for the majority of care contract budgets, but with a higher rate for certain areas (OP Nursing, Direct Payments and Home Care in 2019/20) in recognition of the need for market sustainability.
9. **Children's Services: Growth & Demography** – the opportunity has been taken to review and re-profile the pressures.
10. **Departmental budget pressures** – A strengthened pressures protocol has been used to review and identify pressures which need to be incorporated in order to set a sustainable budget. These include a Home to School Transport pressure and changes to Waste Housing Growth and IT&D licences.
11. **Change in General Inflation** – Business rates and the service inflation model has been updated using the inflation figures published by the Office of Budget Responsibility (OBR) in the Autumn.
12. **Levies and Grants** – Reflects latest estimates of the Flood & Coastal Protection Levy, Sussex Inshore Fisheries Levy and New Responsibilities Funding.
13. **General Contingency** – is calculated at an agreed formula of 1% of net budget, less treasury management.

Financing

14. **Treasury Management Strategy; Minimum Revenue Provision (MRP) Review** – As part of the Treasury Management Strategy it is proposed the Council move from the straight-line to the annuity method for calculating the minimum revenue provision. Moving to an annuity method will give revenue savings in the early years, although these are matched by higher costs in latter years. It is considered prudent to use the annuity asset life method; one of the methods included in MHCLG guidance.

15. Treasury Management Strategy; Target for reduced cost of carry – work will continue to make targeted reductions through, for example, a decrease in the cost of carry.

16. Revenue Contribution to Capital; remove for the term of the MTFP – It proposed that the funding of £4m annually for the Capital Programme is removed for the life of the MTFP on the basis of continued slippage, new grants received and capital receipts re-profiled to support short life assets.

17. Contribution to balances and reserves – It is proposed that the new one-off grant funding received will be used to support the sustainability of the MTFP in 2019/20 and a net contribution will be made to reserves and balances. This supports the management of the implementation of service changes, changes to Council Tax, updates on business rates, any unforeseen financial pressures and potential management of the peak in pressures arising in 2020/21.

5.4 Even with the above proposals, the estimated deficit is £14.059m by 2021/22. Work will continue to identify savings in the areas of search identified and opportunities taken to add to reserves where possible, with the aim of reducing the deficit and producing a robust budget in future years. The Reserves and Robustness Statement is set out in appendix 8.

6. Engagement Feedback and Future Consultation

6.1 The views of the Scrutiny Committees and the outcomes of engagements events with partners are set out in Appendix 9. Those of representatives of young people, Trades Unions and business ratepayers will be made available to members once the meeting have been held.

7. Final Savings Proposals

7.1 The latest saving proposal are set out in Appendix 3. It is proposed to move £713k of savings from 2019/20 to 2020/21. This includes: £586k Children's Safeguarding; £85k Early Years Inclusion Services; £30k Ashdown Forest; £18k Trading Standards Services and £6k is brought forward from 2020/21 for Home to School Transport.

8. Council Tax requirement

8.1 The Provisional Local Government Finance Settlement confirmed that councils could apply a Council Tax increase of up to 3% in 2019/20 without triggering a referendum. The Council has already taken up the maximum allowed ASC precept of 6% across the three year period 2017/18 to 2019/20. It is therefore proposed that the County Council be asked to consider increasing Council Tax in 2019/20 by 2.99%. If agreed, the proposed band D charge for 2019/20 would therefore be:

Changes in Council Tax	Council Tax Annual	Council Tax Weekly
Band D 2018/19	£1,393.11	£26.79
2.99% Council Tax increase*	£41.67	£0.80
Indicative Band D 2019/20*	£1,434.78	£27.59

* Council Tax is rounded to allow all bands to be calculated in whole pounds and pence.

8.2 The formal precept notice for issue to the Borough and District Councils will follow for formal recommendation to County Council. This will be subject to change following the final settlement and final figures on Council Tax base and collection fund from Borough and District Councils at the end of January. The draft precept calculation and dates are at Appendix 5.

9. 2020/21 & 2021/22 and beyond

9.1 The Council is in a balanced position in 2019/20, but has a forecast deficit of £14.059m by 2021/22. Work will continue to identify savings in a number of areas including the cost of operations and financing. The Council has a robust planning process and sufficient reserves, and will continue to work towards a balanced position in 2020/21.

10. Capital Programme

10.1 Due to ongoing financial pressures, the Capital Programme 2018/23, agreed by the Council on 6th February 2018, focuses on a strategy to deliver core need only, as efficiently as possible. Other service developments and investment opportunities that require capital investment either need match funding or a business case that demonstrates benefits. Approved bids are added to the programme in line with the current variation policy.

10.2 The areas of essential core need included in the 2018-2023 programme are:

- Schools Places (early years, primary, secondary and special);
- Highways Structural Maintenance, Bridge Strengthening; Street Lighting; Rights of Way and Bridge Replacement Programme;
- Property Building Maintenance;
- ICT Strategy;
- Adults' and Children's House Adaptations Programme; and
- Libraries.

10.3 In addition to core need, there are a number of other schemes which are fully funded either through the Local Enterprise Partnership, or by grants and loans. These were originally pump primed in the 2013-2018 programme and include the Economic Intervention Fund which, by 2021/22, will become self-funding.

10.4 The approved programme has now been updated to include the Quarter 2 position and other approved variations and updates. A supporting paper setting out the key updates is at Appendix 7.

10.5 In line with revisions to the Chartered Institute of Public Finance and Accounting Prudential Code for Capital Finance in Local Authorities (December 2017), the Capital Strategy has been updated and is attached at Appendix 7a. This is part of an ongoing review and will be refined over future years.

11. Robustness and Reserves

11.1 The State of the County report gave an estimated total reserves balance of £60.9m. Since then there have been some updates and the estimated balance at 31st March 2023 is now £65.2m of which only £26.5m relates to strategic reserves. The current reserves position is shown below.

	At State of the County July 2018 (£m)	County Council February 2019 (£m)
	Estimated Balance at 31.03.22	Estimated Balance at 31.03.23
Earmarked Reserves:		
Held on behalf of others or statutorily ringfenced	18.0	15.8
Named Service Reserves		
Waste Reserve	12.8	8.6
Capital Programme Reserve	0.0	0.0
Insurance Reserve	5.4	4.3
Subtotal named service reserves	18.2	12.9
Strategic Reserves ¹		
Risk	4.2	0.0
Financing	6.8	0.0
Financial Management	0.0	22.5
Priority Outcomes and Transformation	3.7	4.0
Subtotal strategic reserves	14.7	26.5
Total Earmarked Reserves	50.9	55.2
General Fund Balance	10.0	10.0
TOTAL RESERVES	60.9	65.2

¹ Following a review of Strategic Reserves, Risk and Financing have now been merged into Financial Management.

11.2 The level of reserves held by the Council is considered appropriate. It is becoming increasingly important to hold sufficient reserves for the future given the financial uncertainty ahead. It continues to be essential to, wherever possible, transfer resources to the Financial Management reserve. Details of the reserves held and the Chief Finance Officer Statement on Reserves and Budget Robustness is set out in Appendix 8.

12. Equalities

12.1 A high level Equalities Impact Assessment (EqIA) of the revenue savings proposals has been undertaken and is set out in Appendix 3. Further EqIAs will be undertaken where appropriate when individual proposals are being taken. EqIAs have been undertaken of the proposed Capital spending. These are summarised in Appendix 7a. In considering the proposals in this report, Cabinet Members are required to have 'due regard' to the objectives set out in Section 149 of the Equality Act 2010 (the Public Sector Equality Duty). EqIAs are carried out to identify any adverse impacts that may arise as a result of the proposals for those with protected characteristics and to identify appropriate mitigations. The full version of relevant completed EqIAs have been placed in the Members' and Cabinet Rooms and are available on the Cabinet pages of the County Council's website. They can be inspected upon request at County Hall. Members must read the full version of the EqIAs and take their findings into consideration when determining these proposals.

12.2 Whilst the Cabinet is being asked to recommend, and subsequently the County Council asked to agree the Revenue Budget and Capital Programme, the budget decision does not constitute final approval of what policies would be or what sums of money will be saved under the service proposals. The recommendations in the report do not commit the Council to implement any specific savings proposal. When the Executive come to make specific decisions on budget reductions, where necessary, focussed consultations and the full

equalities implications of doing one thing rather than another will be considered in appropriate detail. If it is considered necessary, in light of equalities or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the Council.

13. Staffing Impacts and Implications

13.1 The savings proposals for the next year could lead to the reduction in the region of 130 full time equivalent (fte) staff in 2019/20 and a total of 230 fte by the end of the three year planning period. This is in addition to the 182 redundancies made in 2018. The County Council has established robust employment protection policies and will continue to try and avoid making compulsory redundancies, wherever possible.

14. Fees & Charges

14.1 County Council has agreed to delegate authority to the Chief Finance Officer to set fees and charges for 2019/20 onwards and to report to Cabinet and County Council those set at a level above inflation as part of quarterly monitoring: a reasonable inflation level with regard to CPI and RPI being 2.5%. A schedule of the fees and charges that have been assessed as part of the budget setting process as being above inflation of 2.5%, are attached for information at Appendix 6.

15. Conclusion

15.1 The financial challenge the Council faces is considerable and the choices between saving and spending areas are difficult. In making recommendations to Cabinet, officers have tried to be as transparent as possible about their thinking and how they have tried to balance the needs of all residents and businesses in the County for services and the affordability of those services to Council Tax payers.

BECKY SHAW
Chief Executive