

Executive Report

Wards affected: All

Report of Chief Finance Officer

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Date: 21 January 2020

Business planning – General Fund Budget 2020-21

Executive Summary

This report outlines the proposed budget for 2020-21, which includes a Council Tax requirement of **£10,192,858** and a Council Tax increase of £5 per year (3.00%), resulting in a Band D charge of £176.82. As set out in the report, the Council is required to set a balanced budget for 2020-21.

We received the provisional Local Government Finance Settlement (LGFS) for 2020-21 on 20 December 2019. The figures included in the outline budget presented reflect the information contained in the settlement.

The Settlement Funding Assessment (SFA) consists of the local share of business rates, and revenue support grant and is set out in the provisional LGFS. The settlement was in line with our expectation which enables us to retain £2.929m million of business rates in 2020-21 an increase of 1.6% on 2019-20.

In determining that our Core Spending Power has increased by £0.4m the Government has assumed that we will raise the Council Tax by the maximum amount (£5 or 3% whichever is the higher)

The Joint EAB Budget Task Group (JEABTG) and Joint Executive Advisory Board (JEAB) considered the outline budget at their meetings held respectively on 8 November and 20 November.

The Chief Finance Officer's statutory report is included at **Appendix 1**. This gives information about the strategic context within which our budget has been prepared, the medium term financial plan, the robustness of the estimates, adequacy of reserves and budget risks. **Appendix 4** details the financial risk register.

The financial monitoring report for the first eight months of 2019-20 will be reported to the Corporate Governance and Standards Committee on 15 January 2020. The projected net expenditure on the General Fund for the current financial year is estimated to be £96,766 less than the original estimate.

The Chief Finance Officer, in consultation with the Lead Councillor for Finance and Asset

Management and the Leader of the Council will decide upon the appropriation of the final balance in June 2020. Any ongoing variances between actual expenditure and budget identified in 2019-20 have been taken into account when preparing the budget for 2020-21.

Appendix 3 details a list of fees and charges for approval as part of the budget. Executive agreed the target increase given to service managers on 26 November, subject to market constraints.

Recommendation to Executive:

The Executive is asked to approve:

- (1) the transfer to reserves of the sums included in the proposed budget at **Appendix 2**,
- (2) the growth bids set out in paragraph 10

Recommendation to Council (5 February 2020)

The Executive is asked to recommend to Council:

- (1) That the proposed fees and charges for 2020-21 relating to General Fund services and attached at **Appendix 3** to this report be adopted with effect from 1 April 2020.
- (2) That the budget be approved, and specifically that the Council Tax requirement for 2020-21 be set at **£10,192,858**
- (3) That the Band D Council Tax for 2020-21 be set at £176.82, an increase of £5 (3.00%).

Reason(s) for Recommendation:

To enable the Council to set the Council Tax requirement and council tax for the 2020-21 financial year.

Is the report (or part of it) exempt from publication? No

1. Purpose of report

- 1.1 This is the final report to the Executive in the 2020-21 budget process and the Executive is asked to approve a budget for presentation to Council.
- 1.2 The financial implications of proposals contained in the Off-Street Parking Business Plan and Capital and Investment Strategy, to be considered as part of this agenda are included in this report.
- 1.3 The report also proposes the use of the Business Rates reserve and other earmarked reserves.

2. Strategic Priorities

- 2.1 The budget underpins the Council's strategic framework and delivery of the Corporate Plan.

3. Background

- 3.1 At its meeting on 26 November 2019, the Executive received a report on the outline budget, which indicated that there was a gap between the projected net expenditure for 2020-21 and our estimated resources of £820,760.
- 3.2 The November report assumed a £5 increase in Council Tax and this remains the working assumption. The report included the comments of the Joint EAB Budget Task Group (JEABTG), which considered the outline budget at its

meeting on 8 November 2019. The Joint Executive Advisory Board (JEAB), considered the outline budget at its meeting on 20 November 2019.

- 3.3 This report will cover the changes since the outline budget was presented to the Executive.

4. Outline budget parameters

- 4.1 The outline budget has been prepared on the factors approved by the Executive at its meeting on 26 November 2019.

5. Revenue Support Grant (RSG) New Homes Bonus (NHB) and Business Rates Income under the Business Rates Retention Scheme (BRRS)¹

- 5.1 We received the provisional Local Government Finance Settlement (LGFS) for 2020-21 on 20 December 2019. Full details and commentary regarding the settlement are set out in the Chief Finance Officer's report at **Appendix 1**
- 5.2 The Settlement Funding Assessment (SFA) consists of the local share of business rates, and revenue support grant and is set out in the provisional LGFS. The settlement was in line with our expectation and the multi-year settlement. Our baseline funding level was set at £2.929 million an increase of 1.69% on 2019-20.
- 5.3 The provisional award of New Homes Bonus (NHB) for 2020-21 totalling £851,019, is lower than the £1,066,849 we included in the outline budget reported to Executive in November. Although we added 482 new homes to the Council Tax base in 2019-20, which represents a 0.71% increase in our tax base, the deadweight for qualifying new homes bonus is set at 0.4%, which is the minimum expectation Government has for the development of new housing.

6. Council Tax, tax base and collection fund²

- 6.1 The proposed budget assumes that council tax will increase by £5 (approximately 3.0%) This means that the band D tax will go up from £171.82 to £176.82. The increase will generate approximately £284,000 based on the 2019-20 tax base.
- 6.2 At present, the government sets a limit each year above which increases in council tax have to be supported by a referendum. In the past, this limit has been 2%. However, as part of the final local government finance settlement issued in February 2016, for Shire District Councils this was changed to allow increases of less than 2% or up to and including £5 per Band D property, whichever is higher. The provisional local government finance settlement issued by government proposes that this rule remains the same for 2020-21. We expect that the government will return to the referendum limit of 2% for future years. The three-

¹ Within the BRRS, all authorities are either top-up or tariff. Where the authorities' share of Business Rates is more than the government believes it needs, it pays the excess to the government as a tariff. Conversely, if the income from business rates is less than the government's need assessment, a top-up is paid. Generally, district councils are tariff authorities and county councils and single tier authorities are top-up.

² The collection fund is a separate account that we must keep, which collects all the income from council tax and business rates and pays it out to other bodies. For council tax, the recipients are Surrey County Council, the Police and Crime Commissioner for Surrey and Guildford Borough Council. For business rates, the recipients are the Government, Surrey County Council and Guildford Borough Council. We have to predict the surplus or deficit on each part of the fund and that is paid out to (or recovered from) the relevant precepting authority in proportion to their original share. The surplus or deficit arises because of movements in the amounts collectable (i.e. the total amount of the bills we have sent out) and provisions for bad debts and business rates appeals.

year financial projections for the period to 2023-24 assume a council tax increase of 1.9%.

- 6.3 The Director of Resources, in consultation with the Lead Councillor for Finance, Assets and Customer Services, has agreed the council tax base for 2020-21 at 57,645.39. This is 1.5% higher than the 2019-20 figure and has increased the available resources by approximately £146,100.
- 6.4 Any surplus or deficit on the Collection Fund in the current financial year (2019-20) feeds into the 2020-21 budget. At present, it seems unlikely that there will be a surplus or deficit on both the council tax and business rates element of the Collection Fund, both elements are forecasted to be on budget by the end of the year.

7. Capital expenditure and minimum revenue provision

- 7.1 The Council has a single capital programme for the General Fund that we finance from the Capital Schemes reserve, capital receipts and revenue contributions towards specific schemes. Unless we generate significant capital receipts, the Council needs to borrow from either its own resources (earmarked for other uses) or from the market; at the current time borrowing is internal as it is more financially advantageous.
- 7.2 Because the capital programme shows an underlying need to borrow, represented at the year-end by the capital-financing requirement (CFR), there is a requirement to make a debt charge to the revenue account called the minimum revenue provision (MRP). This charge is based on the value and life of the assets funded by borrowing (internal or external). The minimum revenue provision for 2019-20 will be £926,640, which is based on a General Fund CFR at 31 March 2019 of £106.9 million. It is currently estimated that the CFR at 31 March 2020 will be £149.5 million and the MRP for 2020-21 will be £1,639,171. This figure is included in the proposed budget.
- 7.3 There is a separate report on this agenda relating to the Capital and Investment Strategy 2020-21 to 2024-25. As the schemes under consideration would commence from 1 April 2020, it will not affect the 31 March 2020 CFR or MRP charge for 2020-21 but will impact the MRP charge from 2021-22.

8. Use of Reserves and interest earnings

- 8.1 An important element of the Council's budget is the income it receives from investment of the cash held in reserves. The balances held at the end of 2018-19 and the projected balances at the end of 2019-20 and 2020-21 are presented in Section 10 of **Appendix 1**. We expect that the Council will hold £156.2 million of reserves as at 31 March 2020, of which £115.5 million relate to the HRA and £40.7 million relate to the General Fund.
- 8.2 HRA reserves are considered as part of the HRA budget. The general fund earmarked revenue reserves includes £14.5million of projected earmarked reserves which are not available for general spending because they are contingent in nature (for example the insurance reserve), or are earmarked for specific future spending such as car parks maintenance which helps even out expenditure on the general fund. The Council is also required, under accounting practice, to hold endowment funds received as developer planning contributions in earmarked reserves for the long term repairs and maintenance expenditure on

Special Protection Areas (SPAs) or Suitable Alternative Natural Greenspaces (SANGS); these reserves are required to fund the revenue costs of SPA / SANGS in perpetuity. Earmarked reserves for SPAs and SANGS are projected to be £7.8million at 31 March 2020. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is therefore £13.6million.

- 8.3 In the 2019-20 budget, we anticipated a net interest charge of £279,095. The estimate for net interest receipt included in the outline budget for 2020-21 is £641,385. Interest payable to the Housing Revenue Account (HRA) is estimated at £531,550 reflecting the level of balances and investment returns consistent with the application of a risk free rate of return. The Bank of England base rate is currently 0.75%. We will continue to keep under review the timing of possible base rate changes as the estimates process proceeds.

Proposed Use of Key Earmarked Reserves

The Budget Pressures Reserve

- 8.4 The budget pressures reserve was established in 2015 to manage the financial challenges the Council faces over the medium term and in particular, allow us to carry forward underspends on the general fund at the end of each financial year to offset future growth pressures. Revenue costs associated with the Future Guildford transformation programme will continue to be funded from either the budget pressures and/or invest to save reserve.

Business Rate Equalisation Reserve

- 8.5 Initial reports from the actuaries reflect the need for an increase in the pension contributions required to ensure the overall funding position reaches a surplus following the triennial valuation. There is an option to increase the current primary contribution rate to 17.2% (which is included in the outline budget) but pay the secondary contributions for the next three years in one lump sum payment of £6,275,000 in 2020-21. This would reduce the impact by £402,000 over the three years (£352,000 saving to the General Fund and £50,000 saving to the HRA), but would mean funding this contribution in 2020-21 from reserves.

It is therefore proposed to use £3,956,753 from this reserve to fund the prepaid secondary contributions in respect of 2021-22 and 2022-23. Annual contributions in 2021-22 and 2022-23 of £1,978,377 will be made back into this reserve to offset this cost.

- 8.6 Officers propose to use £723,957 from this reserve to support the general fund revenue budget. The implementation of the fair funding review and Business rate reset has been delayed by a year so there is funding, in respect of the retained share of the business rate growth levy, being paid into this reserve in 2020-21 that is available to support to budget in 2020-21. This funding will not be forthcoming in 2021-22 and so has been removed from the budget in the medium term projections.

- 8.7 **New Homes Bonus Reserve**

The Council adopted a new homes bonus policy in February 2016. The policy assumed that the first £1 million of NHB grant would be available to support the general fund revenue budget. Due to the changes to the scheme referred to in section 8, it is not proposed to continue to use this funding each year to support

the general fund budget but to use this to support one-off growth bids that contribute to the delivery of new homes.

Officers propose using this reserve to fund the Town centre masterplan growth bid of £500,000 in 2020-21 and £125,000 in both 2021-22 and 2022-23. This project will contribute to the delivery of housing in the town centre. It is also proposed to fund the Public realm scheme for Chapel / Castle Street & Swan Lane, £1.615million. The NHB covers funding public realm improvements so it fits with this policy.

Invest to Save Reserve

- 8.8 The invest to save reserve exists to pump prime the upfront costs of service transformation and efficiency projects, including staff redundancy costs. Costs to be funded from the invest to save reserve are often approved in year under delegated authority. If there are any up-front costs of service transformation required to achieve these savings, then we will seek to fund the costs from the invest to save reserve.
- 8.9 The budget includes a transfer to reserve of £250,000 to support future service transformation. Officers recommend that any revenue costs associated with the Future Guildford transformation programme continue to be funded from either the budget pressures and/or invest to save reserve.
- 8.10 Officers also recommend using £260,000 from this reserve to cover the costs of lost rental income, business rates and maintenance costs at Midleton Industrial Estate as this unit has been vacated ahead of redevelopment of the site.

The Car Parks Maintenance Reserve

- 8.11 The balance on the car parks maintenance reserve at 31 March 2019 was £4.7 million. This reserve is available to fund repairs, maintenance and improvement of car parks. Officers propose that this reserve is used to fund works totalling £190,000 in 2020-21.

IT Renewals

- 8.12 The budget includes a transfer to reserve of £100,000 to support the investment in ICT technology to stimulate the use of technology and new ways of working to improve value for money and efficiency in the delivery of Council services.

Other Reserves

- 8.13 Officers propose to use £77,000 from the Investment property reserve and £515,000 from the Liongate House rent reserve to offset the loss of rent for this property that is currently empty.

9. Projected outturn for 2019-20 (based on period 8 monitoring) and 2020-21 proposed budget

- 9.1 The financial monitoring report for the first eight months of 2019-20 will be reported to the Corporate Governance and Standards Committee on 15 January 2020. The projected net expenditure on the General Fund for the current financial year is estimated to be £0.09 million less than the original estimate. The major reasons for this are due to vacant posts and an increase in income at the crematorium.
- 9.2 At the time the outline budget was presented to Executive on 26 November, Officers were anticipating a gap between net expenditure and estimated

resources of £820,000. This position now is for there to be a balanced budget in 2020-21. The changes are summarised in the table below.

	Executive (26 Nov 2019)	Proposed Budget Appendix 2	Movement	Comment
Community Services	488,470	(314,990)	(803,460)	£155,000 income from Surrey County Council not anticipated in earlier budget forecast. Reduction in depreciation charges (offset below) Removal of budget for Business rate costs for Liongate House
Planning & Regeneration	3,143,410	3,142,170	(1,240)	Minor variations
Environment	10,569,320	11,556,920	987,600	£633,000 reduction in parking income estimates to align with current forecast of income in 2019-20. Increase in depreciation charges (offset below)
Managing Director	788,080	783,410	(4,670)	Minor variations
Finance	7,822,280	11,820,880	3,998,600	£54,000 increase in ICT Cloud maintenance costs. Increase in depreciation charges (offset below) £3.9m increase in pension fund costs as a result of the triennial valuation
Total Directorate Level	22,811,560	26,988,390	4,176,830	
Provisional Growth Bids	1,018,000	964,000	(54,000)	The £54,000 change relates to the Growth bid for ICT cloud maintenance costs being added directly to the budget and removed as a growth bid
Provisional savings	(2,471,425)	(2,471,425)	0	Not yet included in Directorate budgets due to FG process not yet completed.
Depreciation	(8,611,160)	(8,813,830)	(202,670)	
Directorate Level excl. depreciation	12,746,975	16,667,135	3,920,160	
Net external interest receivable	(1,172,935)	(1,172,935)	0	
Interest payable HRA	531,550	531,550	0	
Minimum Revenue Provision (MRP)	1,574,698	1,639,171	64,473	Profiling of the general fund capital programme.
Revenue Contribution to Capital (RCCO)	537,000	537,000	0	
Transfers to/(from) reserve	2,189,439	(2,800,218)	(4,989,657)	Use of Business rate equalisation reserve for superannuation payments and support for the budget see section 8.5 & 8.6 Reduction in NHB £216k
Total after transfers to/(from) reserve	16,406,727	15,401,703	(1,005,024)	

Business Rates Retention Scheme payments and other grants	31,326,771	31,152,815	(173,956)	Changes as a result of the settlement
New Homes Bonus (NHB)	(1,066,849)	(851,019)	215,830	Changes as a result of the settlement
Net Budget	46,666,649	45,703,498	(963,151)	
Parish Precept	1,741,000	1,741,000	0	
Total Net Budget	48,407,649	47,444,498	(963,151)	
Business Rates retained income	(35,652,966)	(35,510,640)	142,326	
Budget Gap	(820,760)	0	820,760	Changes as per section 8.6
Council Tax Requirement	11,933,923	11,933,858	(65)	Minor adjustment to CTAX base

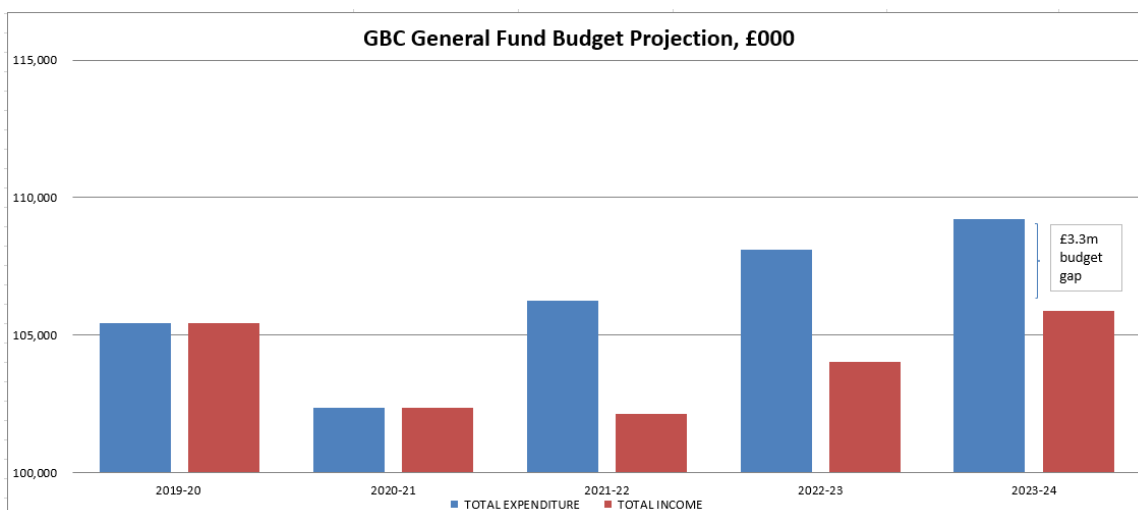
- 9.3 In order to arrive at the final budget, service managers prepare a budget based on existing levels of service, which is then amended for existing commitments and agreed changes relating to growth and savings.
- 9.4 The proposed budget includes the financial implications of both the Off-Street Parking Business Plan and the Capital and Investment Strategy which councillors will also consider on this agenda.
- 9.5 The figure above includes the effect of the increase in council tax base, which has increased available resources by approximately £146,100.
- 9.6 At present, the figures assume a no surplus or deficit on the collection fund as referenced in paragraph 6.5 above.

Major changes from 2019-20

- 9.7 The estimated directorate level expenditure excluding depreciation charges for 2020-21 is £16.67 million, which is £3.69 million more than the 2019-20 directorate level expenditure estimate of £12.98 million. The main reason for this increase is due to the prepayment of secondary superannuation contributions as set out in paragraph 8.5

Major changes from 2020-21 projection included in the 2019-20 estimates

- 9.9 When the 2019-20 estimates were approved, we projected an increasing budgetary pressure in 2020-21 and beyond. The 2020-21 outline budget shows a change in the position compared to what was projected largely due to the delay in implementing the business rate reset and fair funding review and the savings being achieved through the future Guildford transformation programme. The major movements that have contributed to this overall position:
- Increase in the anticipated directorate budgets - £3.69 million [this includes a working assumption around the savings from the Future Guildford transformation project, a loss of forecasted income from Parking Fees and Charges, increased superannuation costs and growth bids of £0.96million]
 - Increase in net interest receivable - £0.4 million
 - Increase in the MRP charge - £0.7 million
- 9.10 The long-term projections still indicate that a saving of around £3.3 million is needed over the period to 2023-24 as highlighted in the graph below.



9.11 Officers continue to work towards identifying the necessary savings over the medium term. Savings from the Future Guildford transformation programme have been included in the outline budget and forward projections as follows:

	2020-21 £	2021-22 £	2022-23 £	2023-24 £
Staffing savings	2,388,125	3,491,750	4,050,500	4,050,500
Service Challenge efficiency savings	83,300	592,600	975,850	1,486,750
Total	2,471,425	4,084,350	5,026,350	5,537,250

9.12 The Future Guildford transformation project identified a number of potential service challenge savings. Some of these savings have been incorporated in the budget (see table in paragraph 9.1) the remainder of these savings, amounting to up to £3.4m over the next four years are currently being assessed and reviewed by officers before being incorporated into the medium-term financial plan. Achieving the remaining savings will enable the Council to balance its budget over the medium term.

Growth bids

9.13 As in previous years, officers were invited to submit growth bids and proposals for savings and additional income. The revenue bids received are as follows;

- Town Centre Management master plan - £500,000 - To establish a portfolio of projects that will together contribute to the comprehensive planning and regeneration of Guildford town centre
- Carbon Emissions Footprint and Zero Emissions Trajectory - £186,000 - Development of a carbon emissions footprint and trajectory setting out the pathway towards zero carbon from Council operations and a zero-carbon borough.

- Drinking water filling points - £58,000 - Installation of external drinking water bottle filling points to public conveniences, car parks and parks areas.
- Oak Processionary Moth - £30,000 - The project aims to minimise the risk from Oak Processionary Moth (OPM) to the general public and operators working with trees.

Fees and Charges

10 **Appendix 3** shows the fees and charges proposed by service managers for 2020-21. The Executive agreed the target increase on 26 November 2019 but councillors will see that there is a wide variance in the percentage increases proposed. This is because service managers have discretion to take into account the market within which services operate when proposing fee increases. The estimated income included in the budget is based on these proposed charges.

10. Consultations

10.1 JEABTG and JEAB have been consulted about the outline budget for 2020-21 and the medium term financial position and their comments were reported to the Executive at its meeting on 26 November 2019.

10.2 Officers have consulted the Lead Councillor for Finance, Assets and Customer Services about assumptions to be used on the level of council tax increase and the proposed budget (including balancing the budget) and he agrees with the approach taken in this report 2019

11. Equality and diversity implications

11.1 There are no equality or diversity implications arising from this report. Where changes to services are included within the budget the service managers will carry out the relevant equality impact assessments as part of the changes.

12. Financial implications

12.1 The financial implications are considered throughout the report.

13. Legal implications

- 13.1 The Council is required to set a Council Tax for the financial year 2020-21 before 11 March 2020. It may not be set before all precepts have been issued or before 1 March 2020 whichever is the earlier. The decision is reserved to Council and cannot be taken by the Executive or delegated to officers, although the Executive has to recommend a budget to Council. Before setting the level of the tax, the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years and any amounts required to be transferred between funds. The tax itself must be sufficient to cover the difference between the agreed budget less government grants credited to the consolidated revenue account and any other expenditure which must be met from the Collection Fund less any surplus (or plus any deficit) brought forward from previous years.
- 13.2 These legal duties are set out in the Local Government Finance Act 1992 as amended and requires various specific calculations and decisions to be made by the Council:
- (a) First, it must calculate its budget requirement in accordance with section 32 of the Act;
 - (b) Second, it must calculate the Borough Council element of the Council Tax – first for Band D and then for all bands in accordance with sections 33 to 36; and
 - (c) Third, it must set the overall Council Tax for each band in accordance with section 30
- 13.3 A note of the amount set must be published in at least one newspaper circulating in the Council's area within 21 days of the decision.

Section 25 Report

- 13.4 The Chief Finance Officer is required by the Local Government Act 1972 section 151 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting; financial management and accounting practices meet relevant statutory and professional standards.
- 13.5 In addition, the Local Government Act 2003 section 25 provides that the Council's Chief Finance Officer (the Local Government Act 1972 section 151) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Finance Officer's advice on those requirements is set out in **Appendix 1** to this report.

Administrative law/consultations

- 13.6 In reaching decisions on these matters, councillors are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account and any decision made must be one, which only a reasonable authority, properly directing itself, could have reached. Councillors must also balance the interests of the service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Councillors must also act prudently.
- 13.7 Amongst the relevant considerations, which councillors must take into account in reaching their decision, are the views of business ratepayers and the advice of

officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in the Local Government Finance Act 1992 section 65.

- 13.8 In considering, the advice of officers and the weight to be attached to that advice, councillors should have regard to the personal duties placed upon the Chief Finance Officer. The Council may take decisions, which are at variance with her advice provided that there are reasonable grounds to do so. However, councillors may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities.

Referendum requirement

- 13.9 The government no longer has power to cap local authority budgets under the Local Government Act 1999. However, the Localism Act 2011 introduced limits each year above which any increase in Council Tax would need to be supported by a referendum. In setting the Council Tax for the next financial and in agreeing the Council's budgetary requirements the Council will need to take into account these limit. The local government financial settlement allows for an increase of less than 3% or up to and including £5 per Band D property, whichever is the higher.

Constitutional arrangements

- 13.10 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 provide that votes at key budget decision meetings must be recorded. The Council's Constitution provides in Part 4 – Council Procedure Rule 19 (d) that a recorded vote shall be taken at a meeting of the Council in respect of any motion or amendment to approve the budget or set council tax.

Restrictions on voting

- 13.11 Councillors should be aware of the provisions of the Local Government Finance Act 1992 section 106 that applies where:
- a. they are present at a meeting of the Council, the Executive or a committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months, and
 - b. any budget or council tax calculation or recommendation or decision, which might affect the making of such calculation, is the subject of consideration at the meeting

13.12 In these circumstances any such councillors shall at the meeting and as soon as practicable after its commencement disclose the fact that section 106 applies to them and shall not vote on any question concerning the matter in (2) above. It should be noted that councillors are not debarred from speaking on these matters.

13.13 Failure to comply with these requirements constitutes a criminal offence unless a councillor can prove they did not know that section 106 applied to them at the time of the meeting or that a matter in question was the subject of consideration at the meeting. Councillors should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual councillor concerned.

14. Human Resources implications

14.1 There are no immediate human resources implications because of this report. Officers will address any changes in the level of resources because of growth or savings initiatives as the changes are implemented.

15. Conclusion

15.1 The proposed budget includes a Council Tax requirement of £10,192,858 resulting in a Council Tax increase of £5 per annum (3.00%)

15.2 The Chief Finance Officer's report, attached at **Appendix 1**, covers the medium term financial plan, the robustness of the estimates, adequacy of reserves and budget risks. The medium term financial plan position remains challenging and we estimate that we will need to find savings of approximately £3.3 million over the period to 2023-24.

16. Background Papers

None

17. Appendices

Appendix 1: Chief Finance Officer's statutory report

Appendix 2: General Fund Summary

Appendix 3: Proposed 2019-20 Fees and Charges

Appendix 4: Financial Risk Register