

BUDGET AND COUNCIL TAX SETTING 2020/21

Cabinet - 4 February 2020

Report of Chief Officer Finance and Trading

Status For Decision

Also considered by Council - 25 February 2020

Key Decision No

Executive Summary:

The Council has an excellent track record in identifying, planning for and addressing financial challenges. In light of the challenging financial position facing all authorities nine years ago, for 2011/12 the Council produced a 10-year budget together with a savings plan for the first time. This will be the tenth year this method has been used and provides the Council with a stable basis for future years.

This report sets out the proposed budget and required level of Council Tax for 2020/21.

Based on the changes detailed in this report, **this Council will once again have a balanced 10-year budget.**

The report proposes a net expenditure budget of £15.581m in 2020/21 (£15.251m in 2019/20). Subject to any further changes this would result in a **Council Tax increase of 2.3% in 2020/21, with the District's Council Tax being £219.96 for a Band D property for the year (£215.01 in 2019/20), an increase of £4.95.**

The report also contains details of the precepts received from other authorities (Council report only); the Collection Fund position and an opinion on the robustness of the budget and the adequacy of the reserves.

Portfolio Holder Cllr. Matthew Dickins

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Recommendation to Cabinet:

That recommendations (a) to (e) below be recommended to Council.

Recommendation to Council:

- (a) The Summary of Council Expenditure and Council Tax for 2020/21 set out in Appendix E be approved.
- (b) Approve the 10-year budget 2020/21 to 2029/30 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix B to the report, including the growth and savings proposals set out in Appendix C-D to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve.
- (c) Approve the Capital Programme 2020/23 and funding method set out in Appendix H.
- (d) Approve the changes to reserves and provisions set out in Appendix J.
- (e) That the Local Council Tax Reduction Scheme 2019/20, be rolled forward to 2020/21, with effect from 1 April 2020 (Appendix L).

Due to their length and complexity, the further recommendations have been produced as a separate document (Appendix P).

Introduction and Background

- 1 The Council's financial strategy over the past fifteen years has worked towards increasing financial sustainability and it has been successful through the use of a number of strategies including:
 - implementing efficiency initiatives;
 - significantly reducing the back-office function;
 - improving value for money;
 - maximising external income;
 - the movement of resources away from low priority services; and
 - an emphasis on statutory rather than non-statutory services.
- 2 Over this period the Council has focused on delivering high quality services based on Members' priorities and consultation with residents and stakeholders.
- 3 In setting its budget for 2011/12 onwards, the Council recognised the need to address both the short-term reduction in Government funding as well as the longer-term need to reduce its reliance on reserves. The outcome was a 10-year budget, together with a four-year savings plan, that ensured the Council's finances were placed on a stable footing but that also allowed for flexibility between budget years.
- 4 With the Revenue Support Grant provided by Government ceasing from 2017/18 it is important that the council remains financially self-sufficient by

having a financial strategy that is focused on local solutions. These solutions include:

- continuing to deliver financial savings and service efficiencies;
- growing the council tax base; and
- generating more income.

5 At the Cabinet meeting on 12 September 2019, Members considered a report setting out the Council's financial prospects for 2020/21 and beyond. That report set out the major financial pressures the Council is likely to face, together with a proposed strategy for setting a balanced and sustainable budget for 2020/21 and beyond.

6 As part of the budget process officers put forward their Service Dashboards to the Advisory Committees between October and November, which set out a summary of current and future challenges and risks. The Advisory Committees recommended new growth and savings items which were considered at the Cabinet meeting on 5 December 2019.

7 The report to Cabinet on 5 December 2019 also contained updates to the Financial Prospects report. Another update report was presented to Cabinet on 9 January 2020 when further growth and savings items were considered.

8 This report includes a number of attachments:

- Appendix A - Budget timetable
- Appendix B - 10-year budget (revenue and balance sheet);
- Appendix C - Summary of the Council's agreed savings and growth items;
- Appendix D - Summary of changes to the 10-year Budget
- Appendix E - Summary of Council Expenditure and Council Tax;
- Appendix F - Summary of service analysis in budget book format;
- Appendix G - Analysis of pay costs;
- Appendix H - Capital Programme 2020-23;
- Appendix J - Reserves;
- Appendix K - Risk analysis;
- Appendix L - Local Council Tax Reduction Scheme 2020/21;
- Appendix M - Latest information on precepting authorities (only in Council report);

- Appendix N - Town and Parish Council precepts and council tax rates (only in Council report);
- Appendix P - Council tax setting recommendations (only in Council report);
- Appendix Q - Council tax rates across the district (only in Council report).

Financial Self-Sufficiency

- 9 The Council's Corporate Plan 2013-2018 set out an ambition for the Council to become financially self-sufficient which was achieved in 2016/17. The current Council Plan aims to continue with this approach. This means that the Council no longer requires direct funding from Government, through Revenue Support Grant or New Homes Bonus, to deliver its services.
- 10 This approach was adopted in response to the financial challenges the Country is faced with in bringing its public spending down to ensure it is able to live within its means. In practice this has seen Government funding to local authorities dramatically reduced since 2010/11 with Sevenoaks District Council receiving no Revenue Support Grant from 2017/18.
- 11 The decision to become financially self-sufficient is intended to give the Council greater control over its services, reducing the potential for decision making to be influenced by the level of funding provided by government to local authorities.
- 12 The Council's decision to seek to become financially self-sufficient was subject to scrutiny by the Local Government Associations Peer Challenge of the District Council during December 2013. In their closing letter to the Council they concluded that they 'fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense'.
- 13 With the Council receiving no Revenue Support Grant from 2017/18 and New Homes Bonus reducing from 2018/19, this approach remains appropriate. The attached 10-year budget assumes no Revenue Support Grant or New Homes Bonus. Any funding received from these sources will be put into the Financial Plan Reserve which can be used to support the 10-year budget by funding invest to save initiatives and supporting the Property Investment Strategy. One of the aims of the Property Investment Strategy is to achieve an income yield of 3%+ above the Council's average treasury management return (currently 0.9%) when not borrowing or internally borrowing, and 3%+ above the borrowing rate (currently 2.8% for 30 years). Therefore, using funding for this purpose will result in additional year on year income that is not impacted by Government decisions.
- 14 Cabinet are keen to remain financially self-sufficient and be ahead of the game. This will include a new target to replace reliance on Business Rates income over the coming years. This will allow this Council to move ahead in

the knowledge that this council has the financial resources to provide the services that the district's residents need into the future.

Local Government Finance Settlement

15 ***The Provisional Local Government Finance Settlement*** for 2020/21 was announced on 20 December 2019. The most relevant elements for this Council were as follows:

- The Council Tax increase referendum limit for district councils for 2020/21 has been increased from 2% to the higher of 2% or £5 for a Band D property.
- The settlement relates to 2020/21 only.
- Negative Revenue Support Grant (RSG) has been removed for 2020/21. There was previously an expectation this could have a £1m negative impact on this council.
- The basis of Business Rates Retention has not changed.
- New Homes Bonus will continue for 2020/21 and is then expected to reduce to nil in 2023/24.

16 ***The Final Local Government Finance Settlement*** for 2020/21 had not been released at the time of writing this report. Members will be updated of any relevant differences in the final settlement compared to the provisional settlement.

Updates on Assumptions

17 ***Government Support: Revenue Support Grant (RSG)*** (£nil received in 2019/20) - This formula-based grant has significantly reduced since 2010/11 as the emphasis of Government Support has changed, in fact this council received no RSG in 2017/18 and is not expected to receive any in future years. The attached 10-year budget assumes no RSG, if any amounts are received in future years, they will be put into the Financial Plan Reserve to support the 10-year budget including 'invest to save' initiatives and support for the Property Investment Strategy.

18 Negative RSG (i.e. where councils pay government) has previously been proposed by government. It was announced in the Spending Round that there would not be negative RSG in 2020/21 but this remains a threat going forward.

19 ***New Homes Bonus (NHB)*** (£1.2m received in 2019/20 but not used to fund the revenue budget) - the Government started this new funding stream in 2011/12 from funds top sliced from RSG with the intention that local authorities would be rewarded for new homes being built over a six-year period. The basis of NHB was changed with effect from 2017/18. Previously it was based on cumulative figures for 6 years, but this was reduced to 5

years from 2017/18 and 4 years from 2018/19. In addition, NHB is only received on tax base growth above 0.4% instead of on all growth (known as the deadweight).

- 20 In the same way as RSG, the attached 10-year budget assumes no NHB resulting in there being no reliance on this funding source to support the revenue budget. Any funding received will be put into the Financial Plan Reserve for the same purpose as noted above.
- 21 It is likely that NHB will soon be replaced by a different method to incentivise housing growth.
- 22 **Council Tax** (£10.9m) - in the Provisional Local Government Finance Settlement it was announced that the referendum limit for 2020/21 was an increase of 2% (or £5 for a Band D property if higher). The Final Local Government Finance Settlement had not been announced at the time of writing this report so the referendum limit may change. At the Cabinet meeting on 9 January 2020 Members recommended to change the Council Tax increase assumption for 2020/21 to £5 for a Band D property (2.3%) or the referendum limit, whichever is the greater, with the excess above 2% put into a new 'Net Zero Transition Fund'.
- 23 This recommendation would result in Band D Council Tax increasing from £215.01 in 2019/20 to £208.80 to £219.96 in 2020/21 (unless the final referendum limit is higher).

2020/21 Council Tax	Original Assumptions	Proposed Assumptions
% increase	2.00%	2.30%
£ increase (Band D pa)	£4.30	£4.95
£ (Band D pa)	£219.31	£219.96

- 24 Due to the uncertainty of future Council Tax increase referendum limits, if maximum increases are not taken there will be an ongoing detrimental impact on the ability to increase Council Tax in future years.
- 25 The Council Tax Base has increased from 50,772.3 to 51,207.9 Band D equivalent properties. That is an increase of 435.6 (0.86%) which is below the previously assumed increase of 580 (1.14%).
- 26 The tax base increases each year due to the general increase in the number of residential properties and future developments as well as the continuing work to check the validity of Council Tax discounts awarded. The assumption going forward reflects the increases achieved in recent years and the ongoing work. The increased tax base results in additional Council Tax income which is assumed to be greater than the incremental cost of servicing the additional properties although it should be recognised that there are likely to be step changes in costs for some services in the future

such as refuse collection. The Local Plan may also affect future Council Tax assumptions.

- 27 **Business Rates Retention** (£2.1m) - The basis for allocating Government Support from 2013/14 changed to the Business Rates Retention Scheme. This scheme initially allows billing authorities, such as this council, to keep 40% of Business Rates received. However, tariffs and top-ups are applied to ensure that the funding received by each local authority is not significantly different to pre 2013/14 amounts. This Council is due to collect £37m of Business Rates in 2019/20.
- 28 A Business Rates Pool operates in Kent and Medway which generally results in councils retaining more Business Rates than if they were not in the pool. This council and Dover Borough Council were not part of the pool in previous years, but it has been agreed that Sevenoaks and Dover will benefit as if they were in the pool going forward.
- 29 Due to the large number of business rates appeals being outstanding with the Valuation Office Agency (VOA) and the limited opportunities to increase the number of businesses in the district, the assumption in the 10-year budget remains at the safety-net level, which is the amount of business rates the council is assured of retaining in the current scheme if it were not in a pool.
- 30 With the outcome of the Spending Review and the results of the 'Fair Funding Review' and 'Business Rates Retention Reform' remaining unknown, there is a risk that this council may no longer retain any Business Rates in the future. This would result in a funding gap that would need to be replaced by additional income or further savings.
- 31 **Interest receipts** (£0.25m) - Returns are continuing to be significantly lower than they were a few years ago due to low interest rates and the Council's Investment Strategy taking a low risk approach. Whilst returns exceeded Budget last year, inflation continues to outpace investment returns, leading to the gradual erosion of capital in real terms.
- 32 The Treasury Management Strategy is currently being reviewed with a different risk approach anticipated. The interest receipt assumption has therefore been increased from £250,000 to £300,000 per annum.
- 33 **Property Investment Strategy** - The strategy was approved by Council on 22 July 2014 with the intention of building on an approach of property-based investment in order to deliver increased revenue income. This was set against a background of reducing Government Support and continued low rates of return through existing treasury management arrangements.
- 34 To date six assets have been purchased or built by the Council and three by Quercus 7 at a cost of £29.2m. Therefore £21.1m of the £50.3m approved by Council remains unspent.
- 35 The income assumptions have been updated as follows:

Property Investment Strategy Income	Previous Assumption	Proposed Assumption
2019/20	£1.258m	£1.258m
2020/21	£1.311m	£1.428m
2021/22	£1.311m	£1.468m
2022/23	£1.311m	£1.508m
2023/24	£1.411m	£1.558m
2024/25 - 2025/26	£1.455m	£1.558m
2026/27 - 2028/29	£1.655m	£1.655m
2029/30	£1.696m	£1.696m

- 36 These assumptions result in an increase of £300,000 from 2019/20 to 2023/24.
- 37 A Property Investment Strategy Update report is being presented to the Finance and Investment Advisory Committee on 23 January 2020 and Cabinet on 4 February 2020.
- 38 **Pay costs** (£15.2m) - Discussions between the National Employers for Local Government Services and the unions regarding the national pay award for 2020/21 are ongoing.
- 39 The assumption in the attached 10-year budget is a 2% increase in all years. Work on a new workforce strategy may have an impact on assumptions and will be monitored as it progresses.
- 40 The Council's latest Council Plan was launched in 2018. In order to ensure the effective delivery of the Council Plan, some services are being redesigned so that they are better aligned to customer needs and with a much stronger emphasis on wrapping services around the customer.
- 41 In order to achieve this, the Customer Solutions Centre is in operation. The Customer Solutions Centre is resourced with a wider skill set in order to deal with more interactions at first point of contact and in parallel more effective processing is being investigated. It is anticipated that the cost of these changes will continue to be met within approved budgets and therefore a SCIA has not been proposed.
- 42 **Superannuation fund** - the last pension fund triennial valuation, which was the fourth by the actuaries Barnett Waddingham, took place in November 2019.
- 43 The funding level has increased from 75.5% to 86.6% since the previous valuation in 2016 and the deficit recovery period for the fund has reduced from 17 years to 13 years. The 10-year budget includes the contribution amounts set by the actuaries for 2020/21 to 2022/23 and includes an

additional £100,000 from 2023/24 when the next triennial valuation will come in to effect. The contributions for the primary rate (current staff) have increased and reduced for the secondary rate (funding deficit). There is a nil overall impact on the 10-year budget.

- 44 **Non-pay costs** - The budget assumes non-pay costs will increase by an average of 2.25% in all years. In practice, items such as rates and energy costs often rise at a higher rate, so other non-pay items have been allowed a much lower inflation increase. Inflation is currently at 1.4% (CPI) and 2.2% RPI (as at December 2019).
- 45 **Annual Savings** - an annual Net Savings/Additional Income assumption of £100,000 is included for all years in the 10-year budget.
- 46 **Exiting the EU** - The Council continues to closely monitor the potential implications on the District and is engaged in contingency planning arrangements co-ordinated by the Kent Resilience Forum.

Collection Fund Surplus/Deficit Calculation

- 47 Rules governing the operation of the collection fund require the Council to make an estimate on 15 January (or the next working day) each year of the fund's likely surplus or deficit at the end of the current financial year, in respect of council tax transactions. The amount so estimated is to be shared between the District Council, County Council, Fire and Police in proportion to their precepts on the collection fund. Each authority's share is to be taken into account by the authority in calculating its council tax for the year following the year in which the surplus or deficit has been estimated.
- 48 The estimated surplus/deficit at 15 January 2019 was zero, whilst the actual surplus balance at 31 March 2019 was £43,700. The balance is relatively small in the context of the gross council tax collectible during 2018/19 of approximately £89.5m.
- 49 The purpose of the calculation at 15 January 2020 is to estimate the likely surplus or deficit balance on the collection fund at 31 March 2020. This is based on the tax bills issued for the year, current collection performance and the level of bad debt provision held.
- 50 The overall estimated balance at 31 March 2020 is again zero, meaning that there is no apportionment required between District, County, Fire and Police.

Current Budget Position

- 51 The 10-year budget (**Appendix B**) shows a fully funded 10-year position. By continuing to use the 10-year budget strategy, this council remains in a strong position going forward.
- 52 **Appendix D** shows the changes in the 10-year Budget since it was last approved by Council in February 2019.

- 53 ***Progress on the savings plan*** - 2020/21 is the tenth year of using the 10-year budget. Prior to the current budget setting process, 164 savings items have been identified totalling £7.6m. The majority of these savings have already been achieved and Portfolio Holders, Chief Officers, Heads of Service and Service Managers have worked closely to deliver these savings.
- 54 ***Changes since the 10-year budget started*** - The table below shows how the Net Service Expenditure has changed since 2010/11. This shows that the budget has reduced by £4.7m (28%) in real terms.

Net Service Expenditure	£000
2010/11 (budget)	16,711
2019/20 (2010/11 budget +2% inflation per year)	19,971
2019/20 (budget)	15,251
Difference	4,720

2020/21 Budget and Council Tax

- 55 After allowing for the growth and savings agreed and the key changes made during this budget process, the resulting net expenditure for 2020/21 is £15.581m. As shown in **Appendix E** this results in Council Tax income of £11.264m, meaning that the District element of the Band D charge will be £219.96.
- 56 When the other preceptors announce their increases, details will be included in **Appendix M**.

Capital Programme

- 57 A report setting out the proposed 2020/23 Capital Programme, with supporting documentation in a standard format for individual scheme bids was presented to the Finance and Investment Advisory Committee on 23 January 2020 and Cabinet on 4 February 2020.
- 58 Scheme bid documents were received for all new schemes which included the proposed funding methods.
- 59 Unspent budgets in the current year's programme (2019/20) can be carried forward to 2020/21, subject to Cabinet approval, when the outturn is known.

- 60 **Appendix Hi** summarises the position if all schemes are approved and indicates the funding method proposed. **Appendix Hii** contains the bids for each capital scheme.
- 61 Council will be informed at the meeting of any changes recommended by Cabinet.

Integration with other budget reports on the Cabinet Agenda

- 62 Separate reports on the Treasury Management Strategy, Capital Strategy and Property Investment Strategy are being presented to Cabinet and Council. The attached revenue budgets take into account the recommendations and revenue implications set out in those reports as well as the Capital Programme.

Opinion under Section 25 of the Local Government Act 2003 (LGA 2003)

- 63 Under the LGA 2003 the Statutory Finance Officer (Chief Finance Officer) is required to give Members an opinion on the robustness of the budget estimates and the adequacy of reserves.
- 64 In terms of the robustness of the budget, the following sources of assurance were taken into account:
- The Strategic Business and Financial Planning process used for the 2020/21 budget.
 - The Financial Strategy, including a 10-year Budget, clear financial objectives and sensitivity analysis.
 - Growth and savings suggestions proposed.
 - The strong financial control structure and effective performance management within the Council, confirmed by feedback from external auditors.
 - Clear budget responsibilities at individual officer level.
 - Effective monitoring regime giving early notification of potential financial issues through the use of the Finance and Investment Advisory Committee.
 - Effective Internal/External audit system, with risk-based audits, reporting through the Audit Committee.
 - Set aside of earmarked funds for potential liabilities in the medium term.
 - Effective strategic and operational risk management.

- 65 The budget complies with the principles and standards within the CIPFA (Chartered Institute of Public Finance and Accountancy) Financial Management Code.
- 66 As is the case every year, inevitably there are a number of risk factors within the 2020/21 budget proposals; these are set out in some detail in **Appendix K**. This Appendix was also considered by the Finance and Investment Advisory Committee on 23 January 2020. Some of the more significant items are set out below.

a) Pay costs

Pay costs are budgeted on 100% basis, with a 2% inflationary pay award assumption in 2020/21 included and with a separate vacancy saving target. With controls over the appointment of any staff and monitoring of staff numbers as well as costs, pay costs are subject to a high level of control. However, the national pay award for 2020/21 has not yet been agreed.

b) Income

In-depth monitoring of income budgets will continue throughout the year and will be given regular consideration by the Finance and Investment Advisory Committee.

c) Pensions funding

The next actuarial valuation will take effect from 2023/24 and an increase assumption has been included in the 10-year budget from then.

d) Investment receipts

The Treasury Management Strategy will be kept under review and brought back to Members for consideration as necessary during the year. The proposed Strategy for 2020/21 is reported separately on this agenda.

e) Capital investment

Property Investment Strategy income is included in the 10-year budget. Members are assured that any property acquisitions will be supported by a thorough business case and approved by the relevant Portfolio Holders.

f) Growth

The 10-year budget has no allowance for growth until 2027/28 as it is anticipated that where possible this will be met through additional savings or the Budget Stabilisation Reserve.

- 67 Members will recognise that budget risk cannot be avoided completely. However, the structures already in place and the actions being put in place should ensure that next year's overall revenue spend figure is achieved, particularly through the Council's flexible approach to budgeting allowing the risk areas to be compensated by those that are underspent or over achieve on income.

Adequacy of Reserves

- 68 Ensuring the adequacy and sustainability of the Council's reserves continues to be a key part of the budget process. Individual balances have been reviewed as part of writing this report and the detailed work is set out in **Appendix J**. This review should ensure that all provisions and earmarked reserves are adequate for their purposes.
- 69 It is recommended that the Council hold a minimum General Fund reserve balance of 10% of its net Revenue Budget, for emergencies.
- 70 The strong formal advice of the Section 151 officer to the Council is that every effort must be made to achieve the agreed savings in order to ensure financial sustainability and preserve the level of reserves for future commitments. The Council should avoid, at all costs, the General Fund Reserve balance reducing below 10% of its Net Service Expenditure (for 2020/21 this equates to £1.5m).

Referendums relating to council tax increases

- 71 Section 72 of the Localism Act 2011 inserted Section 52ZB into the Local Government Finance Act 1992. This sets out the duty on local authorities, fire authorities and Police and Crime Commissioners (PCCs) to each determine whether the amount of council tax they plan to raise for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum apply.
- 72 The Secretary of State has published draft thresholds in relation to 2020/21 council tax levels. District councils will be allowed a Band D council tax increase of the higher of 2% or £5 (for a Band D property). This council is therefore able to increase Band D council tax by up to 2.3% (£5 for a Band D property) without requiring a referendum. As in previous years, no equivalent principles are being proposed for Town and Parish Councils although the Government has said that they will keep this under review and take action if necessary.

Local Council Tax Reduction Scheme 2020/21

- 73 The Council Tax Reduction scheme replaced Council Tax Benefit with effect from 1 April 2013.
- 74 Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working age

applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.

- 75 Schedule 1A (5) of the Local Government Finance Act 1992 as amended requires local authorities to consider the following:
- For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.
 - The authority must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 76 The 2019/20 Local Council Tax Reduction Scheme was approved by Council on 15 November 2018 after a consultation with residents.
- 77 Further details can be found in **Appendix L** and a copy of the full scheme is available upon request.
- 78 It is recommended that the Local Council Tax Reduction Scheme 2019/20, be rolled forward to 2020/21, with effect from 1 April 2020.

Key Implications

Financial

All financial implications are covered elsewhere in this report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

For the effective management of our resources and in order to achieve a sustainable budget it is essential that all service cost changes and risks are identified and considered. The budget risk analysis is included as **Appendix K**.

Current and future challenges together with risks were included in the Service Dashboards presented to the Advisory Committees and each Service Change Impact Assessment (SCIA) included the likely impacts including a risk analysis.

An effective integrated policy and priority driven long-term financial and business process is required for the Council to deliver on its priorities and maintain a sustainable budget. It is also essential that continuous improvements are identified and implemented in order to take account of the changing climate within which the Council operates and to meet the expectations of both Government and the public on the quality of service demanded from this Council.

The risks associated with the 10-year budget approach include uncertainty around the level of shortfall and the timing of key announcements such as future changes

to Business Rates Retention. The risk will be mitigated by continuing to review assumptions and estimates and by updating Members throughout the process.

The Council has in place a number of specific reserves and provisions to address identified risks.

Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

Individual equalities assessments have been completed for all Service Change Impact Assessments (SCIAs) to ensure the decision-making process is fair and transparent. These were included in the Budget Update 2020/21 reports to Cabinet on 5 December 2019 and 9 January 2020.

Community Impact and Outcomes

In making any budget proposals, Members need to consider the impact on customers, service quality and staff well-being, to ensure that the budget supports the Council's aspirations for customer-focused services.

Conclusions

The budget process has once again been a major financial challenge for a council that already provides value for money services to a high standard. The 10-year budget shows a fully funded position over the whole period which keeps this council in a strong position going forward.

The future financial prospects for the public sector remain difficult however, this budget ensures the Council remains in a financially sustainable position.

If the council tax resolution attached in **Appendix P** is approved, the Sevenoaks District Council element of the band D council tax will be £219.96.

Appendices

Appendix A - Budget timetable

Appendix B (i) - 10-year budget - Revenue

Appendix B (ii) - 10-year budget - Balance Sheet

Appendix C - Summary of the Council's agreed

savings and growth items

Appendix D - Summary of changes to the 10-year Budget

Appendix E - Summary of Council Expenditure and Council Tax

Appendix F - Summary of service analysis in budget book format

Appendix G - Analysis of pay costs

Appendix H (i) - Capital Programme 2020-23 (also being considered by Finance and Investment Advisory Committee on 23 January 2020)

Appendix H (ii) - Capital Programme bids

Appendix J - Reserves

Appendix K - Risk analysis (also being considered by Finance and Investment Advisory Committee on 23 January 2020)

Appendix L - Local Council Tax Reduction Scheme 2020/21

Appendix M - Latest information on precepting authorities (only in Council report)

Appendix N - Town and Parish Council precepts and council tax rates (only in Council report)

Appendix P - Council tax setting recommendations (only in Council report)

Appendix Q - Council tax rates across the district (only in Council report)

Background Papers

[Report to Cabinet 14 February 2019 - Budget and Council Tax Setting 2019/20](#)

[Report to Cabinet 12 September 2019 - Financial Prospects and Budget Strategy 2020/21 and Beyond](#)

[Report to People and Places Advisory Committee 1 October 2019, Improvement and Innovation Advisory Committee 3 October 2019, Housing and](#)

[Health Advisory Committee 8 October 2019, Development and Conservation Advisory Committee 15 October 2019, Cleaner and Greener Advisory Committee 29 October 2019, Finance and Investment Advisory Committee 21 November 2019 - Budget 2020/21: Service Dashboards and Service Change Impact Assessments \(SCIAs\)](#)

[Report to Cabinet 5 December 2019 - Budget Update 2020/21](#)

[Report to Cabinet 9 January 2020 - Budget Update 2020/21](#)

Adrian Rowbotham

Chief Officer Finance and Trading