

**Written statement of a budget and policy framework decision**

<b>Title</b>	<b>Setting the 2020/21 budget and updating the medium term financial strategy and treasury management strategy</b>
Decision maker	<p>Cabinet*</p> <p>for recommendation to:</p> <p>Council</p> <p>* Information about cabinet, including the names and contact details of the cabinet members, can be found here:  <a href="http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251">http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251</a></p>
Date of decision	30 January 2020
Report exemption class	
A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	<p>To agree the draft 2020/21 budget and associated medium term financial strategy and treasury management strategy for recommendation to Council on 14 February.</p> <p>The proposed budget reflects current and expected service delivery requirements and the provisional local government settlement announced on 20 December. Overall the base budget for 2020/21 is proposed to increase to fund budget pressures and new initiatives. Savings of £2.4m in 2020/21 remain and an increase in council tax of 3.9% (inclusive of 2% adult social care precept) is proposed to deliver a balanced budget.</p> <p>The draft medium term financial strategy (MTFS), attached at appendix 1, has been extended to 2023/24 based on current assumptions on future funding and service requirements.</p> <p>The treasury management strategy, attached at appendix 4, includes the proposed borrowing and investment strategy, the council's expected minimum revenue provision and the associated prudential indicators which demonstrate that the council's proposed capital investment budget is affordable,</p>

	prudent and sustainable.
<b>Decision</b>	<p><b>That:</b></p> <p><b>(a) the following be recommended to Council;</b></p> <ul style="list-style-type: none"> <li><b>a. the council tax base of 69,756.19 Band D equivalents;</b></li> <li><b>b. an increase in core council tax in 2020/21 of 1.9%;</b></li> <li><b>c. an additional precept in respect of adult social care costs of 2% applied to council tax in 2020/21 resulting in a total council tax increase of 3.9%, increasing the band D charge from £1,514.70 to £1,573.77 for Herefordshire Council in 2020/21;</b></li> <li><b>d. the balanced 2020/21 revenue budget proposal totalling £157.1m, subject to any amendments approved at the meeting, specifically the net spending limits for each directorate as at appendix 3;</b></li> <li><b>e. delegation to the section 151 officer of the power to make necessary changes to the budget arising from any variations in central government funding allocations via general reserves;</b></li> <li><b>f. the medium term financial strategy (MTFS) 2020-24 at appendix 1 be approved; and</b></li> <li><b>g. the treasury management strategy at appendix 4 be approved.</b></li> </ul> <p><b>(b) the responses to scrutiny committee's recommendations as provided in paragraph 63 be approved;</b></p> <p><b>(c) up to £200k of the public health grant be ring fenced as the council contribution toward the provision of the Hereford City Cycle Track; and</b></p> <p><b>(d) a new earmarked reserve be created to support activities related to climate change.</b></p>
<b>Reason for the decision</b>	<p>As set out in the report. Documents relating to this decision are available at</p> <p><a href="http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?lId=50032406">http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?lId=50032406</a></p>
<b>Options considered</b>	<p>1. It is open to Cabinet to recommend alternative spending proposals or strategies; however, given the</p>

	<p>legal requirement to set a balanced budget, should additional expenditure be proposed compensatory savings proposals must also be identified. If it is proposed to spend less, the impact on service delivery of the proposed reduction should be considered.</p> <p>2. Cabinet can propose a council tax increase above the referendum principle levels. This is not recommended as doing so would require the increase to be subject to a local referendum, incurring additional costs to the council.</p>
Declarations of interest (see ▪ below)	
Call-in expiry date	<p>Budget and policy framework item</p> <p>Under part 4, section 3 of the constitution, this decision is not subject to the usual call-in procedure as it is a budget and policy framework item and therefore must be decided at a meeting of the full Council.</p>

Councillor: ..... Leader of the Council (Councillor D Hitchiner)	Date 30 January 2020
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted.