

CABINET MEETING – 8 DECEMBER 2020

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Budget Planning Framework and Medium Term Financial Plan 2021/2022 – 2024/2025

Author(s):

Executive Director of Corporate Services

Purpose of Report:

This report advises Cabinet that an addendum report will be provided to Cabinet following consideration of the outcome of the Spending Review on 25th November. The addendum report to be considered by Cabinet, which is to be circulated after the publication of the main agenda, will:

- Provide an update, since the Budget Planning Framework and Medium Term Financial Plan (MTFP) report to Cabinet in October 2020, on the key factors influencing the development of the Council's financial plans into the medium term;
- Set out the updated headlines and context for the MTFP 2021/2022 to 2024/2025;
- Set out provisional additional budget savings proposals for 2021/2022 to assist in meeting the current budget gap, as a basis for budget consultation, prior to the receipt of the Local Government Finance Settlement for 2021/2022;
- Set out the consultation / communication strategy for the budget 2021/2022; and
- Set out for consideration a revised version of the City Plan which has been developed and re-set in light of the challenges brought about by the Covid-19 pandemic.

Description of Decision:

Cabinet is recommended to note that an addendum report will be provided to Cabinet detailing the substantive decisions requested of Cabinet in relation to Budget Planning Framework and Medium Term Financial Plan 2021/2022 – 2024/2025.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Consideration of the outcome of the Spending Review within the addendum report will enable Cabinet to have the most up to date information available on which to base any decisions.

Alternative options to be considered and recommended to be rejected:

The outcome of the Spending Review has a significant bearing upon the Council's budget and MTFP and therefore Cabinet needs to be aware of the latest position when making decisions. Therefore, there are no alternative options recommended for approval.

Impacts analysed:	
Equality	N/A
Privacy	N/A
Sustainability	N/A
Crime and Disorder	N/A
Is the Decision consistent with the Council's co-operative values?	
Yes	
Is this a "Key Decision" as defined in the Constitution?	
Yes	
Is it included in the 28 day Notice of Decisions	
Yes	

**BUDGET PLANNING FRAMEWORK AND MEDIUM TERM FINANCIAL PLAN
2021/2022 – 2024/2025****Executive Director of Corporate Services****1. Purpose of Report**

- 1.1 This report advises Cabinet that an addendum report will be circulated to Cabinet following consideration of the outcome of the Spending Review on 25th November. The addendum report to be considered by Cabinet, which is to be circulated after publication of the main agenda, will:
- Provide an update, since the Budget Planning Framework and Medium Term Financial Plan (MTFP) report to Cabinet in October 2020, on the key factors influencing the development of the Council's financial plans into the medium term;
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 - Set out for consideration a revised version of the City Plan which has been developed and re-set in light of the challenges brought about by the Covid-19 pandemic.

2. Description of Decision

- 2.1 Cabinet is recommended to note that an addendum report will be provided to Cabinet detailing the substantive decisions requested of Cabinet in relation to the Budget Planning Framework and Medium Term Financial Plan 2021/2022 – 2024/2025.

3. Medium Term Financial Plan 2021/2022 to 2024/2025

- 3.1. The MTFP 2020/2021 to 2023/2024 was approved by Council in March 2020 as part of the 2020/2021 budget setting process. The MTFP is continually updated to reflect changing circumstances and latest known information. A further update on the MTFP since the Budget Planning Framework and MTFP report to Cabinet on 13th October 2020 is detailed in the addendum report. The full MTFP 2021/2022 to 2024/2025 will be presented to Cabinet in February 2021.
- 3.2. The outcome of the Spending Review is to be announced on 25th November 2020 and will cover a one-year period. The Chancellor commented that his preference would be to outline plans until the end of Parliament, but the need to focus completely on the Covid-19 response and supporting jobs prevents this. The Government's medium to longer term approach to addressing its financial position is still unknown and the one-year funding settlement for Local Government will again provide limited certainty for the Council. The spending review provides information on Government's departmental budgets and the impact on local government. As such it is intrinsic to the Council's budget and MTFP.

- 3.3. Other Government grants are not anticipated to be confirmed until the Provisional Local Government Settlement is announced in December 2020. However, since the last MTFP update report in October, the Consumer Price Index for September 2020 has been confirmed at 0.5%, this is below the 1% assumption used for planning purposes. The MTFP presented within the addendum report will reflect this updated position.

4 City Plan

- 4.1 The City Plan, approved by Council in November 2019, sets the framework for the allocation of the Council's resources. The Covid-19 pandemic has led to the need to review and refocus the plan to ensure the city can recover as quickly as possible from the crisis and remain on course to realise the 2030 vision to provide opportunities for all. In light of the impacts of Covid-19 on the city and its residents, as well as the opportunities presented and progress made since the plan was created, the draft plan included within the addendum report sets out the proposed, refocused challenges, commitments under each of the three themes (Dynamic City, Healthy City and Vibrant City) and an indicative, updated timeline.

5 Suggested Reasons for Decision

- 5.1 Consideration of the outcome of the Spending Review within the addendum report will enable Cabinet to have the most up to date information available on which to base any decisions.

6 Alternative Options to be considered and recommended to be rejected

- 6.1 The outcome of the Spending Review has a significant bearing upon the Council's budget and MTFP and therefore Cabinet needs to be aware of the latest position when making decisions. Therefore, there are no alternative options recommended for approval.

7 Impact Analysis

- 7.1 Impact assessments will be set out within the addendum report.

8 Other Relevant Considerations

- 8.1 These will be set out as appropriate within the addendum report.

Background Papers

[Revenue Budget and Proposed Council Tax for 2020/2021 and Medium Term Financial Plan 2020/2021 to 2023/2024](#) (4 March 2020 Council).

[Budget Planning Framework and Medium Term Financial Plan 2021/2022 – 2024/2025](#) (13 October 2020 Cabinet)