

Executive

Revenue Budget 2020/21, Medium Term Financial Plan (2020 - 2025), 2020/21 Treasury Management Strategy and Capital Programme (2020 - 2025)

EXECUTIVE MEMBER: Mike Starkie, Elected Mayor
LEAD OFFICER: Steven Brown, Director of Financial Resources
REPORT AUTHOR: Steven Brown, Director of Financial Resources

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

These proposals ensure the proper administration of the Council's financial affairs to enable the continued delivery of services to Copeland residents.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

This report forms part of the Budget & Policy Framework within an Elected Mayor authority. Council is receiving this information to consider and endorse the Elected Mayor's proposed budget for 2020/21 and Medium Term Financial Strategy projections up to 2024/25.

RECOMMENDATIONS:

Executive is asked to consider the report and:

1. Recommend to Council the Mayor's 2020/21 proposed Revenue Budget requirement of £8,006k and 2020 – 2025 MTFS as set out in Section 2 of this report which includes the fees & charges schedule for 2020/21 as set out in Appendix A and use of reserves schedule as set out in Appendix B.
2. Recommend to Council the Mayor's proposal to increase Council Tax by 1.95% for 2020/21 and delegate authority to the Council's Section 151 Officer to approve the necessary Council Tax calculations in accordance with sections 31 – 36 of the Local Government Finance Act 1982;
3. Recommend to Council the Mayor's proposed Capital Strategy for 2020/21 as set out in Appendix C that includes the proposed Capital Programme for 2020/21 – 2024/25.
4. Recommend to Council the 2020/21 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in Appendix D.

5. Recommend to Council the updated Local Council Tax Support Scheme as set out in paragraph 6.1.
6. Recommend to Council the Pay Policy as set out in Section 7 and Appendix F.
7. Note the responses to the budget consultation as set out in Appendix G.
8. Note the Statement of the Responsible Financial Officer (Section 151 Officer).

1. INTRODUCTION

- 1.1. The purpose of this report is to present to Council the Elected Mayor's proposed budget for 2020/21. The report sets out the:
 - a) Medium Term Financial Strategy (MTFS) 2020 – 2025 and Elected Mayor's proposed budget for 2020/21;
 - b) Fees and Charges;
 - c) Use of Reserves;
 - d) Council Tax Increase for 2020/21;
 - e) Capital Investment Strategy including the Capital Programme for 2020 – 2025;
 - f) Treasury Management Strategy and Annual Investment Strategy for 2020/21;
 - g) Local Council Tax Support Scheme;
 - h) Pay Policy; and
 - i) Statement of the Responsible Financial Officer (Section 151 Officer).
- 1.2. The Corporate Strategy 2020-24 was approved by Council in December 2019. The Corporate Strategy sets out the mission for Copeland to '*make Copeland a better place to live, work and visit*' and the vision for the Council being "a commercially focused organisation with a national reputation for high quality services". The Council's budget is a financial reflection of the Corporate Strategy that is set in

the context of the available resources.

- 1.3. The annual budget setting process for 2020/21 began in December 2019 with the Mayor and his Executive setting out their strategy and priorities for the next financial year. Core proposals have been out to public consultation and responses detailed within this report. The statutory consultation with local businesses, one in North Copeland, one in South Copeland, is scheduled for mid-January as in previous years.
- 1.4. The projections in the Medium Term Financial Strategy have been refreshed to reflect the announcements made in the 2019 Spending Review, the 2020/21 Provisional Local Government Finance Settlement, Q2 Budget Monitoring Report and the Mayor's response to the 2020/21 Budget Consultation.
- 1.5. This budget is based on estimates in the Provisional Local Government Finance Settlement, the Final Settlement is expected to be published in early February 2020, and estimates for both Council Tax and Business Rates.
- 1.6. The Medium Term Financial Strategy have both been extended to 2024/25 to cover the next five years.
- 1.7. In relation to Parishes, they must formally notify the Council of their precept requirements by the end of January each year. Once the Parish precepts have been received, the formal Council Tax Setting (of the Council Tax Requirement) can take place.
- 1.8. Following approval of the budget for 2019/20, and the receipt of the precept information from the Parishes, Police and County Council, Council approval is sought to delegate responsibility to the Council's Section 151 Officer to formally set the Council Tax Requirement (CTR) for Copeland Borough Council by the statutory deadline of 11 March.

2. Medium Term Financial Strategy

- 2.1. The projections in the Medium Term Financial Strategy have been refreshed to reflect the 2019 Spending Review, the 2020/21 Provisional Local Government Finance Settlement, Q2 Budget Monitoring Report and the Mayor's response to the 2020/21 Budget Consultation. The Chancellor of the Exchequer was set to deliver the

Autumn Budget on 6th November however, after Parliament voted to delay Brexit and the Prime Minister called for a General Election, the Chancellor decided not to deliver it.

2019 Spending Review

- 2.2. The Chancellor of the Exchequer presented the 2019 Spending Review to the House of Commons on 4 September 2019. It was a one-year spending review that covered only 2020/21; a multi-year spending review will be announced later in 2020. The 2019 Spending Review promised to deliver “the fastest real growth in day-to-day departmental spending in 15 years” which is very different to those that were announced earlier this decade, when spending was falling in cash terms. For Local Government spending will increase by more than any other department; however, the bulk of the increase in funding is for adult social care and shire districts have generally not received any of this increase.

2020/21 Provisional Local Government Finance Settlement

- 2.3. On 20 December 2019, the Provisional Local Government Finance Settlement 2020/21 was announced. A summary of the main announcements relevant to Copeland Borough Council is set out below:
- The council tax referendum limit will be 2% or £5, whichever is higher for local authorities.
 - The Revenue Support Grant (RSG) will be maintained at 2019/20 levels at £40,000, this compares to the 2013/14 level £3,312,000, reflecting the period of austerity that local government has undergone over the last decade.
 - The 2019/20 Rural Services Delivery Grant will also be maintained at 2019/20 levels of £48,000.
 - There was also confirmation that the Fair Funding Review and Business Rates Retention, due to be implemented in April 2020 will be implemented for April 2021. These are considered later in this report in paragraph 2.10.

- 2.4. On the whole the provisional settlement was broadly in line with Government's previous announcements and existing MTFS assumptions. The Council has responded strongly to the provisional settlement as it fails to recognise the uniqueness of Copeland and the national role the Council has.

Q2 Budget Monitoring Report

- 2.5. Additional pressures have been identified and included in the Medium Term Financial Strategy following the Q1 and Q2 budget monitoring reports to the Executive:

- Waste – an additional one off pressure of £200,000 has been included in the Elected Mayor's proposed budget for 2020/21 and MTFS to reflect the lower income levels. Recycling this material is now a statutory requirement however, the service will be reviewed during 2020/21 to identify efficiency savings that may be realised in order to reduce the overall cost to the Council.
- External Income – the Council had included £250,000 of external income for social value projects that is no longer expected.
- Beacon – an additional one off pressure of £181,000 has been included to offset the Beacon overspend; the Beacon will be reviewed during 2020/21 to identify efficiency savings that may be realised in order to reduce the overall cost to the Council.
- Benefit Overpayments – the Council recovers benefit overpayments where claimants' circumstances have changed. Due to the success of recovering much of the older debt in recent years the income budget now needs reducing by £110,000 to reflect the current recovery of overpayments.

Service Investments

2.6. The following investments in services are included in this budget:

- To support the development and implementation of the Commercial Strategy an additional £250,000 has been included in the base budget.
- An additional £20,000 has been included as the Council's contribution to a shared joint centre for victims for Cumbria; the other cumbrian authorities have committed to make the same contribution.

Efficiencies and Use of Reserves

2.7. The following efficiencies and use of reserves are included in this budget:

- In September, Council approved the Commercial Strategy; this underpins the Council's ambition to become a commercial council. The Commercial Strategy consolidates the Council's existing commercial operations and provides a framework, with defined objectives, for new commercial projects and for the delivery of future commercial activity. A key deliverable in the approved Corporate Strategy is to achieve £1.35m of additional net income from Commercial Activity by 2023. The budget includes additional net commercial income of £338,000 in 2020/21, increasing to £1,350,000 by 2023/24. The Council's Capital Investment Strategy includes additional capital investment to support the commercial strategy; this is included in Appendix C.
- The budget includes a drawdown from the External Resources Reserve of £1,188,000 in 2020/21, £462,000 in 2021/22 and £179,000 in 2022/23, this will begin to be replaced over the next two years resulting in a total drawdown from this reserve of £1,720,900. The forecast balance of the reserve at the end of the period of this MTFS is £1,741,705.

- Additional efficiency savings are budgeted in 2020/21 of £250,000 increasing to £500,000 from 2021/22; these will be delivered through service improvements, natural wastage and working with other partners.

2019/20 Budget Consultation

2.8. The budget consultation ran from 4th December to 8th January. It was posted on Copeland Council's website and social media, and hard copies were available in the council's offices in Whitehaven and Millom, in addition to all Copeland's libraries. The consultation attracted 72 responses; 71 from individuals and one from Egremont Town Council (see Appendix G1 & G2). The responses received in relation to the Council Tax and Fees and Charges are set out below:

- On the questions of a Council Tax increase of 1.95%, this was supported by 70% of the respondents, 15% disagreed and 15% were neutral; and
- On the question of increasing fees and charges to ensure they are covering costs, and where applicable, we plan to raise them by RPI in line with current inflation rates, this was supported by 47% of respondents, 26% disagreed and 27% were neutral.

2.9. The Mayor has considered the responses and confirmed the following for the 2020/21 budget:

- Council tax will increase by 1.95%; and
- Fees and Charges will be reviewed to ensure they cover costs, and where applicable, raise them by RPI in line with current inflation rates.

Changes in Local Government Funding from April 2021

2.10. For a number of years Government has been working with the sector on reforming local government funding; the Fair Funding review and move from 50% to 75% Business Rates Retention. Due to the delays in implementing Brexit this has meant delays to these changes to April 2021, a summary of these changes, albeit they are still being consulted on, is set out below.

Fair Funding

- Local Government is largely funded by Council Tax, Business Rates and, to a lesser extent depending on the local authority, central Grants. Local authorities keep the Council Tax it raises and the Grants they receive. The amount of Business Rates each local authority can keep however is based on their perceived 'Need'; that is based on a formula that takes account of population, deprivation, rurality etc. This formula has been frozen since 2013/14. The fair funding review will change the components of the 'Needs' formula and thus the amount of business rates each local authority gets to keep. There will be winners and losers and many lobby groups and local authorities, including Copeland Borough Council, have been making the case for their 'Needs' to be recognised. This budget assumes no change in funding from the implementation of the fair funding review.

Business Rates Retention

- The 50% Business Rates Retention system has been in place since 2013. This allows local government as a whole to retain 50% of the business rates it collects. There is a system of redistributing this 50% across local government based on local authorities individual 'Need', as explained in the previous paragraph, this is through a system of 'Top ups' and 'Tariffs'. Government has committed to move to a 75% Business Rates Retention system from April 2020 however, whilst this will mean extra funding for local government this extra funding is only expected to replace existing grants such as the Public Health Grant to upper tier authorities.
- The move to 75% retention is considered alongside other changes that may have significant financial implications for Copeland Borough Council. Again the potential financial changes being considered are unable to be quantified as much depends on the approach taken to these changes. The Council currently receives over c£0.5m annually from the growth in business rates, the change to the new system is expected to result in local authorities losing any growth. The Council is lobbying to retain this growth and has retained this in the

budget from April 2021 however, if Government decided to remove all growth this would result in a budget pressure of c£0.5m from April 2021.

Summary: Medium Term Financial Strategy (MTFS) 2020 – 2025 and Revenue Budget for 2019/20

2.11. The following table shows the five-year projections for the refreshed MTFS including the 2020/21 budget year.

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Base Budget (as per MTFS 2018/19)	9,607	9,747	9,747	9,747	9,747
Pay, Price and Contract Inflation	0	0	220	439	657
Service Pressures	741	360	360	360	360
Service Investments	270	270	270	270	270
Efficiencies and Use of Reserves	(2,612)	(2,511)	(2,566)	(2,649)	(2,691)
Base Budget	8,006	7,866	8,031	8,167	8,343
Revised Sources of Finance Total	(8,006)	(7,866)	(8,032)	(8,167)	(8,342)

Pay, Price and Contract Inflation

2.12. The national pay award for 2021 has yet to be agreed, in common with most local authorities the pay inflation has been assumed at 2% in each year with adjustments confirmed in line with the scheme of delegation to reflect the increase in the Voluntary Living Wage. Price inflation has been frozen and contract inflation is in line with the Council's contracts and is reflected in these budget proposals.

2.13. The results of the triannual actuarial review of the Copeland Borough Council pension scheme has been completed; this will result in an increase in the employer pension contribution rate from 15.9% to 18.1%, these increases are offset by a reduction in the annual pension deficit payment.

Pay, Price and Contract Inflation	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Pay Inflation (2%)	incl in base	incl in base	169	338	507
Non pay inflation	incl in base	incl in base	100	200	300
Fees and Charges Policy	incl in base	incl in base	(49)	(99)	(150)
Pay, Price and Contract Inflation	0	0	220	439	657

Service Pressures

2.14. Paragraph 2.5 sets out the additional pressures included in the proposed budget.

Service Pressures	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Waste Recycling Service	200				
Recovery of overpayment of Benefits	110	110	110	110	110
Removal of 2019/20 income budget no longer expected	250	250	250	250	250
Beacon budget pressure	181				
Service Pressures	741	360	360	360	360

Service Investments

2.15. Paragraph 2.6 sets out the additional pressures included in the proposed budget.

Service Investments	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Revenue costs to support commercial strategy	250	250	250	250	250
Joint centre for victims - CBC contribution	20	20	20	20	20
Service Investments	270	270	270	270	270

Efficiencies and Use of reserves

2.16. Paragraph 2.7 sets out the efficiencies and use of reserves included in the proposed budget.

Efficiencies and Use of Reserves	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Commercial income	(338)	(675)	(1,013)	(1,350)	(1,350)
Use of External Resources Reserve	(1,188)	(462)	(179)	75	33
Efficiency Savings	(250)	(500)	(500)	(500)	(500)
Reduction in cost of Copeland Centre (Grant income also reduced)	(837)	(837)	(837)	(837)	(837)
MTFS adjustment	incl in base	(37)	(37)	(37)	(37)
Efficiencies from Efficiency Plan	(2,612)	(2,511)	(2,566)	(2,649)	(2,691)

Sources of Finance

2.17. The table below sets out the updated sources of Finance based on the Provisional Finance Settlement and latest assumptions about Council Tax and Business Rates. The Council Tax forecasts assume an annual increase in the Copeland Borough Council element of the Council Tax of 1.95%. The budget assumes the Copeland Centre PFI scheme is been terminated before the start of the financial year resulting in a loss of PFI grant of £837,000 and compensating reduction in expenditure.

Sources of Finance	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Revenue Support Grant	(40)	0	0	0	0
Business Rates	(3,204)	(3,236)	(3,268)	(3,301)	(3,334)
Business Rates Pooling	(200)	0	0	0	0
Other Grants	(48)	(48)	(48)	(48)	(48)
New Homes Bonus	(98)	(36)	(35)	0	0
PFI Grant	0	0	0	0	0
Council Tax	(4,382)	(4,483)	(4,609)	(4,735)	(4,861)
Council Tax: Collection Fund Surplus	(63)	(63)	(63)	(63)	(63)
Revised Sources of Finance Total	(8,035)	(7,866)	(8,023)	(8,147)	(8,306)

Council Tax Requirement for 2020/21

2.18. The impact of the 1.95% increase on Band D and B (highest number of properties in the borough) is detailed in the Table overleaf:

Property Band	2019/20	2020/21	Extra Cost	Extra Cost Per Week
Disabled A	114.59	116.83	2.23	0.04
A	137.51	140.19	2.68	0.05
B	160.43	163.56	3.13	0.06
C	183.35	186.92	3.58	0.07
D	206.27	210.29	4.02	0.08
E	252.10	257.02	4.92	0.09
F	297.94	303.75	5.81	0.11
G	343.78	350.48	6.70	0.13
H	412.53	420.57	8.04	0.15
Increase (%)		1.95%		

3. Use of Reserves

3.1. Getting the balance of risk right is important so that money is only held to ultimately support the delivery of services to the Council's residents and communities. Reviewing the Reserves and Balances that the authority holds allows the Council to demonstrate that its finances are being managed prudently.

3.2. Revenue reserves and balances play a key role in the management of the Council's finances. They are used as a contingency to mitigate against risk, to fund new policy initiatives and to support the Council's revenue and capital budgets when needed. The key essence of reserves and balances is that they are held at an appropriate level, reviewed regularly and used to support one-off initiatives and/or support the Council through transition periods on a time limited basis.

General Fund

- 3.3. The opening balance on the General Fund as at April 2019 is £2.932m. After allowing for the budgeted transfer to the 2019/20 budget of £(0.242m) and Q2 projected overspend of (£0.352m) and planned use of the General Fund in 2019/20 of (£0.227m), the forecast balance on the General Fund in March 2020 is £2.338m. There is budgeted drawdown from this reserve during the period of this MTF5.
- 3.4. The General Fund is made up of two elements; a risk based element and an un-earmarked element. The risk-based approach determines an appropriate level of 'balances' to be held in relation to risks and specific circumstances facing the Council. The risk-based element of the General Fund provides cover for material risks and uncertainties that arise that cannot be covered by the approved budget or existing reserves, and for emergencies. It does not provide funds for additional investment, rather it is there to ensure the approved budget can be delivered if specific material risks materialise.
- 3.5. The risk based element of the General Fund was assessed at £2m for the 2018/19 budget as set in February 2018. Taking into account all known factors and anticipated risk areas, the General Fund Risk Based Reserve has been reviewed by the Section 151 Officer, who has determined this Reserve is to be maintained to the level of at least £2m over the period of the Medium Term Financial Strategy. If the Balance on this reserve is projected to fall below the recommended risk-based level, then Council must give priority to restoring the balance in-year through a separate report to full Council which would be initiated by the Section 151 Officer.

Earmarked Reserves

- 3.6. Earmarked reserves are established to meet specific needs that have been identified and agreed. New reserves or changes to the use of existing reserves must be approved by the Executive either through the budget monitoring or budget setting process.
- 3.7. The adequacy and appropriateness of each earmarked reserve is reviewed twice yearly – firstly, within the budget setting process (this report refers) and again when they are reported as part of the outturn process, which is used to inform decisions on carry forwards.

Once the purpose of an earmarked reserve has been fulfilled, or the balance is higher than is needed, any remaining balance is returned, in the first instance, to the General Fund.

- 3.8. The projected balance on the Earmarked Reserves as at 31st March 2020 is £9.579m; a significant element of this relates to external contributions for future projects, the PFI reserve of £1.506m and the External Resources Shortfall of £3.463m. The budget will utilise some of the External Resources Shortfall reserve to balance resulting in a forecast balance at March 2025 of £1.742m.

4. Capital Investment Strategy

- 4.1. Capital expenditure includes the acquisition and construction of non-current assets, such as land and buildings, which have a useful life in excess of 12 months as well as expenditure on additions to, or enhancement of, existing non-current assets. It also includes items such as grants towards expenditure incurred by third parties (for example the Disabled Facilities grants). An effective Capital Investment Strategy ensures that asset management planning and the delivery of major projects are key activities in ensuring that the Council meets its corporate and service aims and delivers its core services. The Capital Strategy is set out Appendix B, this includes the proposed capital programme for 2019/20 to 2021/22.

Capital Strategy

- 4.2. The Capital investment Strategy sets out how the capital programme is developed. It highlights the issues and options that influence capital spending and sets out how the resources and capital programme is managed. The strategy sets out the Council's ambitions in the short, medium and long term and includes:
- Strategic Ambition;
 - Current capital priorities;
 - Available and Potential investment levels;
 - Alternative sources of funding capital expenditure;
 - Prudential Borrowing

- Commercial Investment Strategy & Decision Making;
 - Performance Management; and
 - The proposed Capital Programme for the period 2020/21 to 2024/25..
- 4.3. The proposed Capital Programme for the period 2020/21 to 2024/25 includes schemes that were planned for 2019/20 that are now expected to be spent in future years. The Q2 budget monitoring report identified a number of schemes where it was unlikely that the budget would be spent in the year. Following a refresh of the capital programme as part of the Q3 budget monitoring process, a total of £7m is identified to be reprogrammed into future years; this is identified in the Capital Strategy.
- 4.4. The proposed Capital Programme also includes provision for an additional £5m p.a. to fund commercial investments. This will be funded from prudential borrowing using internal resources initially and then external borrowing. Prudential borrowing is where the debt costs have to be funded from the Council's revenue budget, or from generating additional ongoing longer term income streams. Prudential borrowing will only be used where there is a clear financial case, such as major regeneration schemes which provide a net return over and above the borrowing cost, "invest to save" projects, or "spend to earn" schemes. The principle of affordability is therefore a key consideration.

Financing the Capital Programme

- 4.5. The resources available to finance the capital programme include:
- External Grants and Contributions;
 - Capital receipts from the disposal of assets;
 - Reserves; and
 - Borrowing (Internal or External).

- 4.6. The proposed financing of each scheme in the Capital Programme for 2019/20 to 2021/22 is set out in the Capital Investment Strategy in Appendix C. Capital receipts are forecast to reduce to £1.218m over the period of the capital programme and borrowing increased by a maximum of £27m through use of prudential borrowing. The borrowing level is forecast to increase to 3.3 times the Council's net budget, which is less than the average borrowing levels of 5 times net budget across all shire district councils. Borrowing will initially be made using cash and investment balances (internal borrowing) and then by PWLB loans (external borrowing). These investment decisions will be undertaken in accordance with the Council's Treasury Management Strategy.
- 4.7. The revenue implications of future borrowing includes the repayment of debt and interest, whether this is internal or external debt, is included in the revenue budgets in the MTFS. It should be noted however that a key assumption applied is that the future costs of borrowing can be recovered from the net operating income of future investment decisions.

Summary

- 4.8. The Capital Investment Strategy shows sets out how the capital programme is developed, the issues and options that influence capital spending and sets out how the resources and capital programme is managed. The main risk relates to ensuring the net income can meet the financing costs where there is a decision regarding borrowing to finance the investment, this however will be considered as part of the business case for the scheme. On balance the strategy is affordable over the longer term.

5. Treasury Management Strategy and Annual Investment Strategy for 2020/21

- 5.1. This section sets out the Council's Treasury Management Strategy Statement for 2020/21, in accordance with the CIPFA Code of Practice on Treasury Management. The Annual Investment Strategy and the Minimum Revenue Provision (MRP) Strategy for 2020/21 are also incorporated as part of the Statement. So too are the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

- 5.2. The Council will receive each year the following reports: Annual strategy and plan in advance of the year (this report) and an annual report after its close. It will also receive updates as appropriate through the budget monitoring reports to the Executive.
- 5.3. As required under the Code, the Treasury Management Strategy Statement for 2018/19, which also incorporates both the Investment Strategy for that year and the Minimum Revenue Provision Policy Statement, is set out in Appendix 1. Within this Appendix are the Prudential Indicators that must be determined under the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities.
- 5.4. The Treasury Management Strategy Statement itself has the following Appendices:
 - Appendix 1A - Shows the approved Countries that the Council can place investments with (currently restricted to those only within the UK)
 - Appendix 1B – the scheme of delegation detailing which Committees are responsible for certain aspects of Treasury Management
 - Appendix 1C – The role of the S151 Officer.

6. Local Council Tax Support Scheme

- 6.1. The Local Council Tax Support Scheme (LCTS) was approved by Council on 22 January 2013. Under the current scheme none of the funding reduction has been passed on to claimants and the Council meets the cost. The Local Council Tax Support Scheme (LCTS) is subject to new regulations that are in force from 11 February 2020. The scheme is currently being altered accordingly to reflect these changes, prior to 1st April 2020 and Council will be asked to approve the revised scheme in advance, changes to be made include:
 - definition of a qualifying person;
 - opposite sex civil partnerships; and
 - parental bereavement leave and pay.

- 6.2. The scheme will be included as Appendix E to this report for Council once updated.

7. Pay Policy

- 7.1. Chapter 8 of the Localism Act 2011 sets out the minimum statutory requirements for Councils with regard to openness and accountability in local pay. The Council is required by Section 38(1) of the Act to publish a Pay Policy Statement. In preparing its Statement, the Council must have regard to the guidance which has been issued under Section 40 of the Act and the Department for Communities and Local Government Supplementary Guidance February 2013. Therefore, there is a requirement for the annual Pay Policy Statement to be approved by Full Council and published with the Budget by 31 March. Appendix F is attached for approval.

8. Statement of the Responsible Financial Officer (Section 151 Officer)

- 8.1. In accordance with the Local Government Act 2003, the Section 151 Officer is required to form a view on the robustness of the estimates used in setting the Elected Mayor's proposed budget for 2020/21 and the adequacy of reserves. In forming this view, the Section 151 Officer has placed reliance on information and records provided to him throughout the budget setting process.
- 8.2. In relation to the robustness of estimates, the audit certificate for the 2017/18 Statement of Accounts is outstanding however there are no changes to the main balances impacting on the financial standing of the Council, the Section 151 Officer is satisfied however that information held for budgeting and reporting purposes is sound.
- 8.3. The Section 151 Officer has carried out a new risk assessment on the Reserves and Balances of the authority and this has been considered in Section 3. Based on approval of the report as presented, the Section 151 Officer is satisfied that the level of the Risk Based Reserve (Balances) is adequate.

9. STATUTORY OFFICER COMMENTS

- 9.1. Legal comments are: No legal issues arise from this report.
- 9.2. The Monitoring Officer's comments are: To be provided at the meeting.
- 9.3. The Section 151 Officer's comments are: Contained within the report
- 9.4. EIA Comments
- 9.5. Policy Framework
- 9.6. Other consultee comments, if any:

10.RESOURCE REQUIREMENTS

- 10.1. As set out in the report.

11.HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 11.1. Regular budget monitoring arrangements and reporting to the Executive.

List of Appendices:

Appendix A1	Fees and Charges Schedule
Appendix A2	Fees and Charges Schedule (Planning Applications)
Appendix B	Use of Reserves schedule
Appendix C	Capital Investment Strategy
Appendix D	Treasury Management Strategy Statement (TMSS), Minimum Revenue Policy Statement and Annual Investments Strategy – To Follow
Appendix E	Local Council Tax Support Scheme (not included in the Executive report)
Appendix F	Pay Policy
Appendix G	Budget consultation Responses