

## DECISION NOTICE

### Cabinet Meeting - 27 January 2021

Present: Mark Deaville, Julia Jessel, Johnny McMahon, Jonathan Price, Mike Sutherland, Mark Sutton, Alan White (Chairman), Philip White, David Williams and Victoria Wilson.

Cabinet Support Member in attendance - Gill Burnett

Also in attendance - Charlotte Atkins and Colin Greatorex

### PART ONE

#### 79. Strategic Plan and Medium Term Financial Strategy 2021 - 2026



“As Staffordshire works to recover from the effects of the pandemic this council is directing all of its resources to help people and business get moving again. In the year ahead we will be listening to Staffordshire people to act on the issues that matter most to them, while continuing to invest time and money in those things in our communities that support people to help themselves and one another.

The county council continues to invest in physical and electronic infrastructure and promoting Staffordshire, so that our economy can prosper and generate more jobs and opportunities. This investment will also ensure growing communities have everything they need including school places, transport links and superfast broadband connections.

At the same time, we are determined to keep improving education and training in Staffordshire so that people can flourish at school or later in life, support families so that they can remain together safely and inspire residents to live healthy, independent lives.”

Alan White, Leader of the Council



“The global pandemic of 2020 affected the running of this authority in many ways, including reassigning staff to delivering food parcels and PPE, delaying planned savings programmes and reducing the amount of council tax and business rates collected. At the same time, we spent more than we have received in emergency support from central Government to help residents and businesses through the crisis.

	<p>Nonetheless, we are a stable, well-run authority and delivering value for money to our taxpayers is at the core of everything we do. Accordingly, we are able to carry on looking after residents now, while investing in Staffordshire’s communities, education and infrastructure for the future.</p> <p>In saying that, our financial challenges remain. In 2021/22 this authority will spend £346 million, approximately two thirds of its budget, on social care and child protection. The growing demand in this sector is a national challenge rather than a local one and we need central Government to take the lead on finding sustainable long-term solutions.”</p> <p>Mike Sutherland, Cabinet Member for Finance</p>
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**Reasons for the Decision** – To consider the Medium Term Financial Strategy (MTFS) for the period 2021-2026 and the draft budget for 2021/22.

**Decision** – (a) That, in respect of the Strategic Plan:

- (i) The progress made regarding the update of the Strategic Plan 2018-2022 be noted and that it be referred to the County Council for approval on 11 February 2021; and
- (ii) That the Leader of the Council and Chief Executive be authorised to finalise the details of the Strategic Plan 2021/22 prior to final publication to ensure that it reflects any changes to the management and accountability structures of the County Council as part of the organisation’s transformation.

(b) That, in respect of the Medium Term Financial Strategy (MTFS) 2021-26 and the 2021/22 revenue budget:

- (i) That the updates to the financial plans as set out in this report be noted;
- (ii) That the comments of the County Treasurer on the adequacy of reserves and robustness of the budget be noted and that the County Council be asked to take note of these comments when considering the budget and council tax;
- (iii) That the comments and recommendations of the Corporate Review Committee and the Executive’s response thereto be noted;
- (iv) That it be recommended to the County Council on 11 February 2021 that they consider and approve the following:
  - A net revenue budget of £530.296m for 2021/22;
  - Planning forecasts for 2022/23 to 2025/26 as set out in Appendix 12 to the report;

- A contingency provision of £5.000m for 2021/22;
- A net contribution from reserves and general balances of £6.255m for 2021/22;
- A budget requirement of £529.245m for 2021/22;
- A council tax requirement of £388.150m for 2021/22;
- A council tax at Band D of £1,360.62 for 2021/22 which is an increase of 4.99% when compared with 2020/21;
- This results in council tax for each category of dwelling as set out in the table below:

<b>Category of dwelling</b>	<b>Council Tax rate £</b>
Band A	907.08
Band B	1,058.26
Band C	1,209.44
<b>Band D</b>	<b>1,360.62</b>
Band E	1,662.98
Band F	1,965.34
Band G	2,267.70
Band H	2,721.24

- That the County Treasurer be authorised to sign precept notices on the billing authorities respectively liable for the total precept payable and that each notice states the total precept payable and the council tax in relation to each category of dwelling as calculated in accordance with statutory requirements;
- The Financial Health Indicators set out in Appendix 11 to the report;

(v) That it be recommended to the County Council on 11 February 2021 that they consider and approve the following recommendations which are included within the Capital and Minimum Revenue Provision Strategy 2021/22, the Treasury Management Strategy 2021/22 and the Commercial Investment Strategy 2021/22 (as set out in Appendices 10a to 10c to the report):

- Approve the Minimum Revenue Policy for 2021/22 as contained within the Capital and Minimum Revenue Provision Strategy 2021/22 (as set out in in Appendix 10a to the report);
- Approve the Prudential Indicators within the Capital and Minimum Revenue Provision Strategy 2021/22 (as set out Appendix 10a to the report);
- Approve the 2021/22 Treasury Management Strategy, based on the 2017 CIPFA Codes (Prudential Code and Treasury Management Code), and 2018 MHCLG

Guidance (on Local Government Investments and on Minimum Revenue Provision);

- Adopt the Annual Investment Strategy (AIS) 2021/22 as detailed in paragraphs 60 to 107 and Annex A and Annex B of the Treasury Management Strategy 2021/22 (Appendix 10b to the report);
- Approve the policies on reviewing the strategy, the use of external advisors, investment management training and the use of financial derivatives as described in paragraphs 109 to 119 of the Treasury Management Strategy 2020/21 (Appendix 10b to the report);
- Approve the proposed borrowing strategy for the 2021/22 financial year detailed in paragraphs 38 to 55 of the Treasury Management Strategy 2021/22 (Appendix 10b to the report);
- The Treasury Management Strategy recommendations will operate within the prudential limits set out in Annex C of the Treasury Management Strategy 2021/22 (Appendix 10b to the report) and will be reported to the Cabinet Member for Finance, with respect to decisions made for raising new long-term loans, early loan repayments and loan rescheduling;
- Approve the Commercial Investment Strategy for 2021/22 (as set out in Appendix 10c to the report) and note the circumstances under which commercial investments can be made;
- Approve the governance arrangements that are in place for proposing and approving commercial investments;
- Approve a maximum quantum for commercial investments of a further £20 million in 2021/22;
- Approve a maximum limit for an individual service investment loan of £10 million in 2021/22;
- Any upwards change in the amounts of the limits specified above relating to the maximum quantum for commercial investments and the maximum limit for an individual service investment loan be delegated to the County Treasurer in consultation with the Cabinet Member for Finance.

(vi) That the County Treasurer be authorised to adjust the contingency provision to reflect any grant and local taxation changes announced in the final 2021/22 Local Government Finance Settlement;

(vii) That the Cabinet Member for Finance and the County Treasurer be authorised to challenge Cabinet, the Senior Leadership Team and services to manage and deliver the current five-year plans and to identify further cost reductions and income generation opportunities, as appropriate.

**Alan White**  
**Leader of the County Council**