

DECISION NOTICE

Cabinet meeting - 29 January 2020

Present: Philip Atkins, OBE (Chairman), Mark Deaville, Helen Fisher, Gill Heath, Mike Sutherland, Mark Sutton, Alan White, Philip White and Mark Winnington.

Cabinet Support Members in attendance - Gill Burnett, Bryan Jones and Jonathan Price.

Also in attendance – Charlotte Atkins and David Williams

PART ONE

91. Decision notice of the meetings held on 8 and 15 January 2020

Decision – That the notes of the meetings held on 8 and 15 January 2020 be approved.

92. Strategic Plan and Medium Term Financial Strategy 2020 - 2025



“The county council is entering 2020 in good shape – despite the huge challenges everyone in local government continues to face. We are leaner, working smarter and are more focused than ever on doing whatever it takes to make the lives of people in Staffordshire happier, healthier and more rewarding.

In 2020/2021 we have sent out a plan which will allow us to protect increasing numbers of people eligible for care, but still invest in growing our economy and increasing opportunities for Staffordshire families.

The Prime Minister has said he wants to do more for the North and for the Midlands and, together with our MPs, we will continue to lobby to make this happen and also to press for a long-term solution to key areas such as funding of care.”

Philip Atkins, Leader of the Council



“We have faced unprecedented financial challenges, but our proactive approach has helped ensure we are on track to reduce costs by £62m in our five-year plan to 2024.

The pressures on funding care, not only remain but are increasing year on year, something which is just unsustainable. That’s why it is hugely important that in terms of national funding for care, for children with special educational needs and for our declining roads – that 2020 is the year that we find a national solution.”

	Mike Sutherland, Cabinet Member for Finance
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Reasons for the Decision – To consider the Medium Term Financial Strategy (MTFS) for the period 2020-2025 and the draft budget for 2020/21.

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 it be referred to the County Council for approval on 13th February 2020;
- (ii) The Leader of the Council and Chief Executive be authorised to finalise the details of the Strategic Plan 2020/21 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) 2020-25 and the 2020/21 revenue budget:

- (i) The updates to the financial plans as set out in this report be noted;
- (ii) 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) The comments and recommendations of the Corporate Review Committee, together with the Cabinet’s response thereto, be noted;
- (iv) It be recommended to the County Council on 13th February 2020 that they consider and approve the following:
 - a net revenue budget of £479.595m for 2020/21;
 - planning forecasts for 2021/22 to 2024/25 as set out in Appendix 12 to the report;
 - a contingency provision of £4.000m for 2020/21;
 - a net contribution to reserves and general balances of £14.671m for 2020/21;
 - a budget requirement of £494.266m for 2020/21;
 - a council tax requirement of £370.977m for 2020/21;
 - a council tax at Band D of £1,295.95 for 2020/21 which is an increase of 3.99% when compared with 2019/20;
 - this results in council tax for each category of dwelling as set out in the table below:

Category of dwelling	Council Tax rate £
Band A	863.97
Band B	1,007.96
Band C	1,151.96
Band D	1,295.95
Band E	1,583.94
Band F	1,871.93
Band G	2,159.92
Band H	2,591.90

- 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) It be recommended to the County Council on 13th February 2020 that they consider and approve the following recommendations which are included within the Capital and Minimum Revenue Provision Strategy 2020/21, the Treasury Management Strategy 2020/21 and the Commercial Investment Strategy 2020/21 (as set out in Appendices 10a to 10c to the report):
- Approve the Minimum Revenue Policy for 2020/21 as contained within the Capital and Minimum Revenue Provision Strategy 2020/21 in Appendix 10a to the report;
 - Approve the Prudential Indicators as set out within the Capital and Minimum Revenue Provision Strategy 2020/21 at Appendix 10a to the report;
 - Approve the 2020/21 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) 2020/21 detailed in paragraphs 66 to 114 and Annex A and Annex B of the Treasury Management Strategy 2020/21 (as set out in 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 115 to 124 of the Treasury Management Strategy 2020/21 (as set out in Appendix 10b to the report);
 - Approve the proposed borrowing strategy for the 2020/21 financial year comprising maximising the use of cash in lieu of borrowing as far as is practical; the ability to borrow new long-term loans, where deemed appropriate; the use of cash to repay loans early, subject to market conditions and a loan rescheduling strategy that is unlimited where this re-balances risk;

- The Treasury Management Strategy recommendations will operate within the prudential limits set out in Annex C of the Treasury Management Strategy 2020/21 (as set out in 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 2020/21 (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 2020/21;
 - Approve a maximum limit for an individual service investment loan of £10 million in 2020/21;
 - Any upwards change in the amounts of the limits specified in the recommendations 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 changes announced in the final 2020/21 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.

Philip Atkins OBE
Leader of the County Council