**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

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| **Decision Maker:** | Cabinet |
| **Date:** | 11 December 2017 |
| **Title:** | Budget Setting and Provisional Cash Limits 2018/19 |
| **Report From:** | Director of Corporate Resources – Corporate Services |

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## 1. Executive Summary

1.1 The purpose of this report is to update Cabinet on the financial position in respect of the current financial year and set out the process and framework for the setting of the 2018/19 budget.

1.2 In line with the current financial strategy, there will be no new savings proposals presented as part of the 2018/19 budget setting process. Savings targets for 2019/20 were approved as part of the Medium Term Financial Strategy (MTFS) in July 2016 and detailed savings proposals have been developed through the Transformation to 2019 (Tt2019) Programme which were agreed by Cabinet and County Council during October and November this year. It should be noted that County Council agreed that officers would continue to explore all viable options to revise or refine these proposals with particular regard to service continuity in areas such as community transport, school crossing patrols and waste and recycling centres, while recognising that any modification to any proposal must be consistent with the financial and time imperatives of the overall programme.

1.3 The Tt2019 Programme will look to deliver further savings of £140m, bringing the cumulative total of savings to £480m over a 10 year period. An update on the progress being made by departments is provided in the transformation report presented elsewhere on this agenda.

1.4 The updated MTFS referenced clearly the challenges associated with the Tt2019 Programme and made clear that delivery would extend beyond two years. The anticipated delay in the delivery of cash savings for some elements of the Tt2019 Programme was factored into the medium term forecasts to ensure that one-off funding was available both corporately and within departments to meet any potential gap over the period.

1.5 Due to the scale of the overall challenge and the increased risk to the timely delivery of the savings, the Corporate Management Team (CMT) have carried out a planned peer review over the early autumn of the higher risk elements of the programme. The financial implications of this review are a requirement for up to £40m of corporate one-off cash support to enable the respective programmes to be safely delivered. This overall cash flow support figure is £4m more than the provision agreed within the MTFS but can be met from the Grant Equalisation Reserve (GER).

1.6 Taking up to four years to safely deliver service changes rather than being driven to deliver within the two year financial target requires the careful use of reserves as part of our overall financial strategy to allow the time to deliver and also to provide resources to invest in the transformation of services. This further emphasises the value of our reserves strategy.

1.7 The updated MTFS approved by the County Council in November 2017 included the working assumption that council tax will increase by the maximum permissible without a referendum in line with government policy. In addition, it set out that a significant draw from the GER is anticipated in order to balance the budget, recognising the scale of the transformation and the lead in times for achieving the savings themselves, in order to give the time and capacity to achieve the savings targets set for 2019/20.

1.8 This report sets the framework for developing the detailed revenue budgets and capital programme that will be presented to Executive Members, Cabinet and County Council during January and February next year.

## 2. Contextual information

2.1 Previous financial updates around this time of the year have been heavily influenced by the timetable of release of information from the Government either around Comprehensive Spending Review (CSR) figures or specific grant figures for the next financial year.

2.2 The CSR and Autumn Statement were published together on 25 November 2015, with the Spending Review covering the period from 2016/17 to 2019/20.

2.3 As part of the Local Government Finance Settlement, the Government announced that it would offer a four-year settlement to authorities who could ‘demonstrate efficiency savings’ over the period up to 2019/20. To apply for this offer local authorities were required to confirm acceptance by 5pm on Friday 14 October 2016 and provide a link to their published efficiency plan.

2.4 Following acceptance by the Department for Communities and Local Government (DCLG) of the County Council’s Efficiency Plan for the period to 2019/20, the expectation is for minimal change for 2018/19 when the Provisional Local Government Finance Settlement is announced in December. However, it is still possible that there may be variations that need to be taken into account when setting the budget in February.

2.5 In his autumn statement in November 2016 the Chancellor announced that the government would move to a single major fiscal event each year. This means following the spring 2017 Budget and Finance Bill, budgets will be delivered in the autumn and the first was published on 22 November 2017.

2.6 The Autumn Budget sets out the Government’s plans for the economy based on the latest forecasts from the Office for Budget Responsibility (OBR). These forecasts revised down productivity forecasts, which in turn resulted in the GDP forecasts for every year being revised downward. However, Whitehall departmental spending in 2019/20 will be higher than envisaged at Budget 2016 by £2.1 billion, due to no longer proceeding with some proposed reductions, and will grow in 2020/21 and 2021/22 in line with the profiles set out at Autumn Statement 2016 and Spring Budget 2017.

2.7 The Chancellor set out a range of proposals including the following:

- Business rates will increase by the lower CPI inflation measure (rather than the RPI currently used) from 2018 onwards; as opposed to 2020 as previously planned.
- Local authorities will be able to increase the council tax premium on empty homes from 50% to 100%.
- The Government intends to move away from the 1% public sector pay award policy although no further details on levels were provided. The Government has committed to fund pay awards for NHS staff in order to protect frontline services.
- The National Living Wage will increase by 4.4% from £7.50 to £7.83 in April 2018.
- Additional funding for the NHS, a range of measures targeted at the teaching of maths, computer science and IT and for transport and environmental priorities (including potholes and flood and coastal defence schemes).
- The Government will lend English local authorities up to £1 billion at a discounted interest rate of gilts + 60 basis points accessible for three years to support infrastructure projects that are high value for money. Details of the bidding process will be published in December.
- The Government's ambition is to build 300,000 new homes a year by the middle of the next decade and policy measures include plans to consult on a number of changes to developer contributions and to lift the Housing Revenue Account borrowing caps for councils in areas of high affordability pressure, so they can build more council homes. In addition, the Government will support more strategic and zonal planning approaches through housing deals in the South East and provide additional funding for the Housing Infrastructure Fund.

2.8 None of these announcements has an immediate impact on the setting of the budget for 2018/19 and any changes contained in the provisional Local Government Settlement which will be announced in December will be reported to Cabinet and County Council.

2.9 Despite impressively strong and consistent financial performance over many years, further to last year's finance settlement for local government, the County Council is facing a forecast budget gap of some £140m by 2019/20 that requires closing. This is after safely removing £340m of savings over the past seven years and within that, delivering in full on the Transformation to 2017 (Tt2017) Programme.

2.10 Savings proposals for 2019/20 have already been agreed, although it should be noted that County Council agreed that officers would continue to explore all viable options to revise or refine these proposals with particular regard to service continuity in areas such as community transport, school crossing patrols and waste and recycling centres. An update on the progress being made is provided in the transformation report presented elsewhere on this agenda and the focus now is on implementation and delivery.

2.11 Given this position, the main focus in setting the budget for 2018/19 is the production of the detailed revenue and capital budgets and this report sets out the framework for the detailed budget preparation process for next year.

## 3 Revenue Financial Monitoring

3.1 The forecast revenue monitoring position for 2017/18 as at the end of August (Month 5) was presented to Cabinet in October. This forecast indicated that overall there was good delivery of savings and management within the budget and that where there were issues, these had mostly been anticipated and could be accommodated on a one-off basis from departmental cost of change (and other) reserves alongside approved corporate support.

3.2 The updated position as at the end of the October (Month 7) has not changed fundamentally and is summarised in the following table:

| | **Adults' Health and Care** | **Children's Services** | **ETE, CCBS & Corporate Services** |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Investment / Cost of Change Used | 7,909 | 6,076 | 19,708 |
| Pressures | 1,716 | 10,309 | 269 |
| Tt2017 Late Delivery | 8,442 | 989 | 2,170 |
| **Subtotal** | **18,067** | **17,374** | **22,147** |
| ***To Be Met From:*** | | | |
| Tt2019 Early Delivery | (716) | (645) | (3,005) |
| Other Savings | (1,605) | (995) | (8,701) |
| Other Departmental Reserves | (4,183) | | (1,388) |
| Unallocated Corporate Support | | (1,965) | (3,245) |
| Departmental Cost of Change | (11,563) | (5,356) | (5,808) |
| **Total (Under) / Over Spend** | **0** | **8,413** | **0** |

3.3 It is worth reiterating that at this point in the year the forecasts themselves still tend to concentrate on the more significant negative items without considering in depth other areas of potential under spend that could be used to offset them. Monitoring at this stage therefore still tends to the side of prudence and as the year progresses it is anticipated that this position may improve through a combination of continued positive management action in the pressure areas, under spends elsewhere in Children's Services and the use of corporate contingencies as appropriate.

3.4 The pressures within Children's Services and the exhaustion of the Department's cost of change reserves were anticipated in the medium term through the monitoring completed in 2016/17.

3.5 Nationally there is growing attention being focused on the pressures facing children's services and analysis by the Local Government Association (LGA) published in the summer highlighted that growing demand for support is leading to over spends in an increasing number of authorities.

3.6 Additional investment in a range of areas within Children's Services was approved as part of the updated MTFS, including funding to cover costs to grow social worker capacity through increased recruitment and improved retention. These amounts, together with funding for growth in Children Looked After numbers (and in turn the knock on impact for care leavers) already provided for and allocated, alongside continued management focus on the other pressure areas, will ensure that the Department operates from a firm financial base as attention turns to the next transformation programme.

3.7 Financial pressures on schools are increasing, both at an individual school level and within the overall schools budget. The overall schools budget will end in deficit this financial year and Schools Forum has agreed for this to be carried forward into the budget for 2018/19. The pressure predominantly relates to demand led budgets funding pupils with high levels of additional need, in particular where there are increasing numbers of pupils with Education, Health and Care (EHC) plans. A number of management actions are being developed to reduce this pressure.

3.8 There are an increasing number of schools in, or at risk of falling into deficit. Reasons vary and tailored support is being provided to individual schools facing financial difficulties along with appropriate challenge and intervention where required.

3.9 In September 2017, the Department for Education (DfE) announced the introduction of a National Funding Formula for Schools, High Needs and the Central School Services blocks. The Government's intention is that individual school budgets should ultimately be set on the basis of a single national formula (a 'hard' funding formula) however, no timescales have been set. For 2018/19 and 2019/20, funding for schools will be calculated on a national basis and then passed to the local authority for allocation.

3.10 By the end of the three year transition period Hampshire's schools budget should have gained £37m through the changes, subject to decisions made regarding the next Spending Review. The local implementation of the changes is complex with a great deal of external scrutiny requiring clear consultation and engagement. A series of briefings were provided open to all stakeholders and a three week consultation was undertaken with all schools to seek views on changes to the local formula.

3.11 As we move further through the financial year we will have a clearer picture of the likely outturn position for 2017/18 and each year we prepare a revised budget that is presented to Cabinet in January and which reflects the latest monitoring information as at the end of December. In addition, corporately a more detailed review of non-departmental budgets (including contingencies) and reserves will be undertaken as part of the third quarter monitoring and in considering the 2017/18 revised budget position.

## 4 2018/19 Budget Setting

4.1 The deliberate strategy that the County Council has followed to date for dealing with grant reductions and unfunded demand and inflationary pressures is well documented. It involves planning ahead of time, in order to give departments the maximum time and capacity for implementation, making savings in advance of need and then using those savings to help fund transformational change to generate the next round of savings.

4.2 In line with this strategy, the Transformation to 2019 (Tt2019) Programme has been in place for some time to develop the £140m of savings required to balance the budget for 2019/20. Detailed savings proposals for each department were approved by the County Council in November 2017, in order to allow more time for delivery of the savings; including the requirement to undertake a second stage of service specific consultations where necessary. Subject to further consultation where required, the programme has now moved to formal implementation.

4.3 It should be noted that County Council agreed that officers would continue to explore all viable options to revise or refine these proposals with particular regard to service continuity in areas such as community transport, school crossing patrols and waste and recycling centres, while recognising that any modification to any proposal must be consistent with the financial and time imperatives of the overall programme.

4.4 Since the transformation programme is already in place and the financial strategy that the County Council operates is on the basis of a two year cycle of delivering departmental savings, there are no new savings proposals to be considered as part of the 2018/19 budget setting process. However, it is still necessary for the County Council to go through the normal ‘technical’ process of setting provisional cash limits for departments, asking them to prepare detailed budgets within those cash limits and then securing approval through Executive Members, Cabinet and finally County Council.

4.5 The next section of this report sets out the details of provisional cash limits for departments for 2018/19, which take into account any base budget changes and the impact of inflation.

4.6 The MTFS approved by the County Council in November 2017 including the working assumption that council tax will increase by the maximum permissible without a referendum in line with government policy. This will mean a council tax increase of 4.99%, of which 3% will contribute towards the increased costs of adults’ social care, in line with the government’s amended approach which is built into their settlement calculations.

4.7 In addition, the financial strategy assumes a significant draw from the Grant Equalisation Reserve (GER) in 2018/19 to balance the budget, recognising the scale of the transformation and the lead in times for achieving the savings themselves.

4.8 Final details of the settlement for next year, plus information from district councils on collection fund surpluses and estimates of retained business rates is not currently available and will therefore be taken into account in setting the final budget in February next year.

## 5 Provisional Cash Limits

5.1 Provisional cash limits are set to enable departments to prepare their detailed budgets for the next financial year. These take account of changes in the base budget, for example as a result of grant changes or transfers between departments, approved growth and inflation for the year.

5.2 Inflation allowances are given each year for pay and price increases and the provisional cash limits detailed in this report include allowances for price inflation.

5.3 Historically no allowance has been given for step progression and departments have been expected to manage this within their bottom line, securing efficiencies if necessary. In view of the ongoing requirement to find savings to meet targets set to balance the budget, finding further efficiencies to absorb step progression is becoming increasingly challenging.

5.4 As a consequence for 2018/19 a contribution has been made towards meeting the cost of step progression as part of the allocation of corporate inflation to cash limited budgets. A general allowance of 1.5% of relevant employee budgets (directly employed staff) has been made – the difference between most steps is 3% but some staff will be at the top of the grade and so progression will not apply.

5.5 Allowances for pay increases are held centrally until any awards are agreed.

5.6 As part of the last pay deal (which was a two year deal covering 2016/17 and 2017/18) the LGA and trade unions committed to undertake a technical review of the National Joint Council (NJC) pay spine. The intention is to move to a new NJC pay framework in March 2019 as part of a negotiated two year pay deal with an interim increase for April 2018 based upon the existing framework.

5.7 The EHCC pay framework is different to the national NJC pay framework, in terms of both grades and salaries but the EHCC agreement requires the national pay award (percentage or monetary amount) to be applied to EHCC grades of A to G inclusive and so the outcome of the national pay award will be relevant.

5.8 Until the details of the two year pay deal are known it is not possible to quantify the impact for the County Council but the MTFS includes provision for a 1% per annum pay award (impact on cash limited budgets for each 1% increase is circa £2.5m) and an additional allowance rising to £5m by 2020 for the impact of the National Living Wage on the directly employed workforce within cash limited services.

5.9 In the Autumn Budget the Chancellor signalled that the Government intends to move away from the 1% public sector pay award policy although no further details on levels were provided.

5.10 The calculation of the provisional cash limits is shown in detail in Appendix 1. The figure for Schools will be updated once the provisional settlement is known, but for now, the 2017/18 position has been updated taking into account forecast changes, such as increases in respect of the pupil premium and other grant related changes.

5.11 Chief Officers, with Executive Members are asked to develop their detailed budgets within the guidelines that have been set so that the Leader and Cabinet can make the final budget recommendations for 2018/19 at the meeting in February 2018.

## 6 Transformation to 2019

6.1 Throughout the period since 2010 the County Council's financial performance has been very strong. Cumulative savings including the full achievement of Tt2017 targets have seen some £340m being removed from budgets since 2010. Year end outturn reports have consistently demonstrated that departments have continued to manage their resources, provide further for one-off investment to support the on-going transformation challenge and at the same time maintain and even improve service outcomes and performance.

6.2 Whilst this performance has been sustained to date, the cumulative impact of numerous savings programmes together with sustained pressure on all departments, but in particular social care spending, show a different picture beginning to emerge.

6.3 A separate report updating the Cabinet on the progress of the Tt2019 Programme is presented elsewhere on this agenda and highlights positive progress on the achievement of savings against the targets set.

6.4 Some savings may be implemented prior to April 2019 and therefore any early achievement of savings in 2018/19 can be retained by departments to meet cost of change priorities. However, as we progress through and beyond 2017/18, Children's Services are unlikely to remain within their cash limited expenditure position without central financial support, and both Children's Services and Adults' Health and Care are forecast to exhaust their cost of change reserves in the next two to three years.

6.5 It has always been acknowledged that the implementation of some proposals will be more challenging than others and may be subject to separate consultation exercises to fully understand the impacts of the proposals. Taking the time to get this right is very important for service users and the County Council and as such some savings may not be achieved in 2019/20 and will need to be supported on a one-off basis.

6.6 Cabinet has previously noted that each successive transformation programme over the past seven years has been harder than the previous one as the scope for early and easier savings is further diminished. The MTFS referenced clearly the challenges associated with the Tt2019 Programme and made clear that delivery would extend beyond two years. In the most part the cash flow support required to manage the extended delivery timetable will be met from departmental cost of change reserves, which will be boosted by some early delivery in 2018/19.

6.7 The MTFS set out that a further contingency would be held corporately to cover any remaining shortfall and at that point a sum to manage the potential risk of 20% in 2019/20 and 10% in 2020/21 (£24m and £12m) was provided for. However, it was confirmed that due to the scale of the overall challenge and the increased risk to the timely delivery of the savings, the Corporate Management Team (CMT) would carry out a peer review of the higher risk elements of the programme over the early autumn and would advise accordingly on any changes to the corporate financial support required.

6.8 The peer review exercise has been completed and focussed in particular on key risks and assumptions, the timescales for Stage 2 consultations and the lead in time for certain changes in staff and customer behaviour to become fully embedded.

6.9 Following this review, small changes were made to the profile for Economy, Transport and Environment (ETE), but the biggest movement was in Adults' Health and Care where greater time has been allowed for changes to take affect within the Living Independently work stream; particularly around the Strength Based Approach and managing demand and prevention.

6.10 The updated forecast cash flow position of savings in each of the years following the risk assessment and savings profile work is shown in the table below:

| | **2018/19 £'000** | **2019/20 £'000** | **2020/21 £'000** | **2021/22 £'000** |
|---|---|---|---|---|
| Adults' Health & Care | 8,269 | 41,780 | 52,106 | 55,756 |
| Children's – Non-Schools | 2,655 | 14,062 | 20,871 | 27,686 |
| ETE | 3,840 | 13,510 | 19,005 | 19,005 |
| Policy & Resources (P&R) | 4,271 | 14,304 | 14,929 | 14,929 |
| **Departmental Total** | **19,035** | **83,656** | **106,911** | **117,376** |
| | | | | |
| **Early Achievement / (Shortfall)** | **19,035** | **(36,344)** | **(13,089)** | **(2,624)** |

6.11 The later delivery of certain projects is consistent with previous updates on Tt2019, reflecting the complex nature of different savings areas. Much of the later delivery relates to activity in Adults' Health and Care and Children's Services. Transforming front line services in these areas is notoriously difficult and requires time to be achieved safely and without significant disruption to service users and their families.

6.12 The financial impact of the planned later achievement of savings for the two social care departments (taking into account their existing levels of cost of change) is a requirement for up to £40m of corporate one-off cash support to enable the respective programmes to be safely delivered. This overall cash flow support figure is £4m more than was approved within the MTFS but can be met from the GER.

6.13 In line with previous major cost reduction exercises Tt2019 progress will continue to be closely monitored, and will be subject to monthly review by CMT and regular reporting to Cabinet throughout 2018 and beyond. This will ensure that issues, concerns and risks are dynamically responded to and dealt with. It will also mean that benefits realisation and the timely delivery of savings is consistently in focus, which for this programme, given its later cash flow support demands, is ever more important. Furthermore, it is almost certain that there will be a continued squeeze on public sector funding into the next decade. This puts an added premium on Tt2019 being delivered in full, and in the most timely manner possible, to ensure the County Council is in the best possible position at the commencement of any successor programme.

6.14 The MTFS contained details of significant investment in the Transformation Team and enabling IT and to supplement this additional resource in a number of support services may be required depending on the timing and complexity of the support required. At this stage of implementation, a total of £155,000 per annum for two years is being requested, for enabling support.

6.15 Whilst Tt2019 represents an immense challenge, the County Council does have significant capacity, capability and experience to tackle the task, highlighted by its track record to date. As tough as the forward agenda is, we know that the County Council is as well placed as any other local authority to deliver on the continuing financial challenges that apply in the sector and crucially to make the necessary investment required.

## 7 Capital Investment

7.1 The County Council's capital programme has been maintained and expanded over recent years, continuing the trend of ensuring that we invest wisely in sustaining our existing assets and delivering a programme of new ones.

7.2 The timeframe for capital planning moves on each year and for the 2018/19 budget process, the programme will be extended into 2020/21. The table below shows the provisional capital guidelines that are being allocated to each department:

| | **2018/19 £'000** | **2019/20 £'000** | **2020/21 £'000** |
|---|---|---|---|
| Adults' Health & Care | 481 | 481 | 481 |
| Children's Services | 100 | 100 | 100 |
| ETE | 11,929 | 11,929 | 11,929 |
| P&R | 4,692 | 4,692 | 4,692 |
| **Total** | **17,202** | **17,202** | **17,202** |

7.3 The capital guideline for ETE reflects the additional funding of £10m per annum for Operation Resilience (from 2017/18 for four years) that was added to the programme as part of the MTFS approved by the County Council in July 2016. For Policy and Resources, the guideline includes an additional £1m per annum to increase the ongoing provision for the replacement of and addition to the vehicle fleet managed by Hampshire Transport Management (HTM) as agreed by County Council in November 2017.

7.4 Cabinet is requested to approve these provisional guidelines to allow departments to prepare their detailed capital programmes for approval as part of the budget setting process in January and February next year.

7.5 The figures in the table above represent the ‘locally resourced’ allocations to the capital programme, which supplement other capital resources that fund the overall capital programme, such as developers contributions, capital receipts, Government grant and borrowing. The total programme approved last February is shown in the table below and this will be updated as part of the budget setting process for 2018/19:

| | **Revised 2016/17 £000** | **2017/18 £000** | **2018/19 £000** | **2019/20 £000** | **Total £000** |
|---|---|---|---|---|---|
| Adult’s Health & Care | 69,937 | 481 | 481 | 481 | 71,380 |
| Children’s Services | 92,960 | 106,737 | 44,079 | 82,145 | 325,921 |
| ETE | 106,900 | 52,546 | 118,818 | 38,086 | 316,350 |
| P&R | 48,796 | 33,312 | 21,664 | 21,664 | 125,436 |
| **Total** | **318,593** | **193,076** | **185,042** | **142,376** | **839,087** |

**520,494**

7.6 Given the link with revenue, as part of the Tt2019 Programme a review of the capital programme (and associated funding) is underway to explore any avenues that would result in a positive impact on the revenue position and to ensure that any capital requirements to support the delivery of savings are provided for.

7.7 The review is being conducted by an existing cross departmental officer group called the Corporate Infrastructure Group (CIG) chaired by the Director of Economy, Transport and Environment and will also include consideration of the wider capital requirements facing the County Council. A summary of the review, together with a revised capital strategy, will be reported as part of the budget setting process to Cabinet and County Council during January and February next year

7.8 The County Council’s ability to continue to provide significant resources to invest wisely in specific priorities (such as the significant Secondary School Places programme) in line with the County Council’s focus on service improvement and to generate revenue benefits in future financial years, even in financial challenging circumstances, is a testament to the strong financial management and rigorous approach to planning and delivering savings that has been applied; and to the benefits that can be achieved from working at scale.

## 8 Recommendation(s)

It is recommended that Cabinet:

8.1 Approves the provisional cash limits for 2018/19 set out in Appendix 1.

8.2 Approves a one-off sum of £310,000 from the Invest to Save Reserve to fund additional resource for enabling support over the next two years.

8.3 Approves the capital guideline amounts for the next three years set out in paragraph 7.2.

## CORPORATE OR LEGAL INFORMATION:

### Links to the Strategic Plan

| | |
|---|---|
| **Hampshire maintains strong and sustainable economic growth and prosperity:** | Yes/~~No~~ |
| **People in Hampshire live safe, healthy and independent lives:** | Yes/~~No~~ |
| **People in Hampshire enjoy a rich and diverse environment:** | Yes/~~No~~ |
| **People in Hampshire enjoy being part of strong, inclusive communities:** | Yes/~~No~~ |

### Other Significant Links

| **Links to previous Member decisions:** | |
|---|---|
| Title | Date |
| Medium Term Financial Strategy and Transformation to 2019 Savings Proposals (County Council and Cabinet ) http://democracy.hants.gov.uk/ieIssueDetails.aspx?IId=5988&PlanId=0&Opt=3#AI3196 | 2 November 2017 and 16 October 2107 |

| **Direct links to specific legislation or Government Directives** | |
|---|---|
| Title | Date |
| | |

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

| Document | Location |
|---|---|
| None | |

# IMPACT ASSESSMENTS:

## 1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2 **Equalities Impact Assessment:**

Equality objectives are not considered to be adversely impacted by the proposals in this report but the County Council's budget and the services that it provides are delivered in a way that ensures that any impact on equalities issues are fully taken into account.

## 2. Impact on Crime and Disorder:

2.1 The proposals in this report are not considered to have any direct impact on the prevention of crime, but the County Council through the services that it provides through the revenue budget and capital programme ensures that prevention of crime and disorder is a key factor in shaping the delivery of a service / project.

## 3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

The revenue budget and capital programme contain measures that will assist in reducing our carbon footprint and changes to services are designed in such a way to also achieve this objective.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The County Council in designing and transforming its services will ensure that climate change issues are taken into account.

# PROVISIONAL CASH LIMITS – 2018/19

| | 2017/18 Cash Limit £'000 | Base Changes £'000 | Inflation & Growth £'000 | 2018/19 Cash Limit £'000 |
|---|---|---|---|---|
| Adults' Health and Care | 355,587 | 17,437 | 22,959 | 395,983 |
| Children's – Schools | 786,892 | (5,816) | | 781,076 |
| Children's – Non Schools | 150,067 | (809) | 17,283 | 166,541 |
| ETE | 108,014 | 201 | 4,291 | 112,506 |
| P&R | 87,564 | (1,693) | 5,650 | 91,521 |
| **Total** | **1,488,124** | **9,320** | **50,183** | **1,547,627** |

**Notes:**

Base Changes

- Largely relate to changes in grants (notably the Improved Better Care Fund within Adults' Health and Care), movements between services and contributions to / draws from reserves.

Inflation & Growth

- In addition to general price inflation (much of which relates to care provision in Adult's Health and Care) this includes a 1% increase in the pension contribution rate and previously agreed increases in past service contributions and a general allowance of 1.5% of relevant employee budgets (directly employed staff) for step progression, along with inflation for the waste contract.
- Reflects the allocation of funding for growth (within the amounts set out in the MTFS) for both Adults' Health and Care and Children's Services in relation to demography and complexity.