Leicestershire County Council

SCRUTINY COMMISSION – 27 JANUARY 2020

PROVISIONAL MEDIUM TERM FINANCIAL STRATEGY 2020/21 - 2023/24

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of the Report

1. The purpose of this report is to:

   a) Provide information on the proposed 2020/21 to 2023/24 Medium Term Financial Strategy (MTFS) as it relates to Corporate and Central Items;

   b) Provide an update on changes to funding and other issues, arising since the publication of the draft MTFS;

   c) Provide details of the following strategies and policies: Capital Strategy, Corporate Asset Investment Fund Strategy, Earmarked Funds Policy, and Insurance Policy;

   d) Ask members of the Commission to consider any issues as part of the consultation process and make any recommendations to the Cabinet accordingly.

Timetable for Decisions (including Scrutiny)

2. On 17th December 2019 the Cabinet agreed the proposed MTFS, including the 2020/21 revenue budget and 2020/21 to 2023/24 capital programme, for consultation. The Overview and Scrutiny Committees and the Scrutiny Commission will consider the proposals during January 2020.

3. An update of the MTFS will be reported to the Cabinet 7 February 2020, and then to the County Council on 19th February 2020 to approve the MTFS including the 2020/21 revenue budget and capital programme. This will enable the 2020/21 budget to be set before the statutory deadline of the end of February 2020.

Policy Framework and Previous Decisions

4. The MTFS is a rolling financial plan that is updated annually. The current MTFS was approved by the County Council on 20th February 2019. The County Council's Strategic Plan (agreed by the Council on 6th December 2017) outlines the Council's long-term vision for the organisation and the people and place of

Leicestershire. The MTFS, along with other plans and strategies such as the Transformation Programme, aligns with and underpins the Strategic Plan.

MTFS Summary – Cabinet 17 December 2019

5. The draft MTFS was approved by the Cabinet on 17 December 2019.

6. The key revenue budget details were:

   - One year Local Government Settlement
   - No Revenue Support Grant
   - Council Tax increase of 3.99% for 2020/21 - includes an additional 2% on the adult social care precept. Increases of 1.99% are assumed regarding 2021/22, 2022/23 and 2023/24
   - Growth of £59m is required, primarily to meet the forecast increase in demand for social care.
   - Provision for pay and price inflation, £58m, driven by the National Living Wage
   - Savings required of £80m - of which £24m are identified, £17m relate to Special Education Needs, leaving a shortfall of £39m to be found.
   - Comprehensive Spending Review expected later in 2020

7. The key capital programme details were:

   - The draft four-year capital programme totals £603m.
   - Capital funding available totals £386m
   - Balance of £217m, temporarily funded from the County Council's internal cash balances in advance of section 106 contributions and other funding being received in the future, e.g. increased capital receipts or new grants.

8. An extensive public consultation exercise took place from 12 June to 10 September 2019 on the Authority's priorities, the outcome of which was reported to the Scrutiny Commission on 30 October and the Cabinet on 22 November 2019.

9. The MTFS as presented represents a good fit with the outcome of the consultation. Changes to growth and savings and capital allocations have been reviewed in light of the results.

Changes to the Revenue Budget 2020-24

10. Since the report to the Cabinet, the Local Government Settlement was announced which was broadly in line with the assumptions made with the draft MTFS. Changes from the settlement and other known issues since then are summarised below.

11. Social Care Grant – the £1bn new grant announced in the September 2019 Spending Round for 2020/21 is to be extended to cover the later years of the MTFS. The annual allocation for the County Council is £8.9m.

12. Council Tax Base – The initial forecast of 1.6% has been increased to 1.8% following updated tax base information received from the District Councils. This generates £0.7m more council tax income in 2020/21 than previously forecast.

13. Business Rates. Values for 2020/21 "baseline" and Section 31 grants have been updated to reflect the latest forecasts from MHCLG. the assumption remains that a "reset" in 2020/21 could remove the benefit of £3m growth under the current phase of the Business Rates Retention Scheme. This will be reflected explicitly in the updated MTFS

14. New Homes Bonus – updated estimates per the 2020/21 Local Government Finance Settlement. There will be no "legacy" payments in subsequent years regarding the 2020/21 part of the grant and the remaining legacy amounts, in respect of 2018/19 and 2019/20, will be phased out by 2023/24. This amounts to reductions of £1.8m in 2021/22, £2.9m in 2022/23 and £3.7m in 2023/24. No information is available regarding a replacement scheme

15. The draft MTFS included a £3m p.a. contingency for potential future grant reductions. Two such reductions, described in paragraphs 13 and 14, will be reflected explicitly in the updated MTFS, hence the contingency has reduced to £2m p.a. from 2021/22.

16. The inflation contingency has been increased following the government's announcement to increase the National Living Wage in 2020/21 to £8.72 per hour (6% increase) compared with an assumption in the original MTFS of £8.62 per hour (5% increase). This is estimated to cost an additional £1.5m per year from 2020/21.

17. General Fund – there are increasing pressures on the High Needs element of the Dedicated Support Grant (DSG) – see the General Fund section later in the report. Increases will be needed to the General Fund to reflect the increasing uncertainty and risks, which are still being assessed.

18. There are other changes that may also affect the position -
    - Forecast overspend in the 2019/20 (non-DSG) revenue budget. £1m overspend forecast at period 6. The figures will be updated based upon period 9 information.
    - Collection Funds' surplus – this could be a potential minor change. Estimates are awaited from the billing authorities. An estimate of £1.5m is already included in the draft MTFS.
    - Any other changes as a result of the Scrutiny process.

19. The overall net change in resources will be adjusted against the Revenue Funding of Capital budget.

20. A summary of the latest overall MTFS revenue position is shown in Appendix A.

Corporate and Central Items

21. Details of the corporate and central items elements of the MTFS are shown in Appendix B.

DSG (Central Dept Recharges)

22. A total of £2.4m is set aside from the DSG to fund central department costs of Schools.

Other Corporate Growth and Savings

23. £0.4m saving in 2020/21, £6.1m growth in 2021/22 rising to £17.3m in 2023/24.

24. This includes the following three areas:

Review of Key Supplier Contracts - £250,000 saving (2019/20 saving).
The Commissioning Support Unit (CSU) is working with departments to review contract spend and identify means of delivering this required saving target. This includes contract renegotiation, service specification, discounts applied for early payment and the potential for rebates. The CSU will also look at existing frameworks and tender opportunities to ensure Value for Money is achieved.

CS1 ICT Implementation of Digital Initiatives – savings of £50,000 in 2020/21 £100,000 in 2021/22, rising to £150,000 by 2022/23. ICT are working with departments across the Council to identify areas in which digital innovation and technology can be used as an enabler to generate efficiencies and promote change. ICT will look to promote many of the measures identified in the Digital Strategy, including delivering easy-to-use digital services which help both staff and customers to self-serve and enabling better ways of working.

G30 Corporate Growth contingency - £0m in 2020/21, £6.5m in 2021/22, £12.2m in 2022/23 rising to £17.8m in 2023/24.
This has been included to act as a contingency for potential further cost pressures in the later years of the MTFS – the value has been set based upon historic levels of growth incurred.

MTFS Risks Contingency

25. The proposed MTFS also includes a contingency of £8m in 2021/22 and later years for other specific key risks that could affect the financial position on an ongoing basis. Examples include:

- The non-achievement of savings.
- Certainty of partner funding, for example services provided through the BCF.
- Pressure on demand led-budgets particularly in social care.
- Maintaining the level of investment required to deliver savings.
- New service pressures that arise (a recent example is Ash Dieback).

26. The contingency included for 2020/21 is £4m due to greater certainty of expenditure plans and funding. When the contingency is released ‘free’ resources are directed toward the Future Developments earmarked fund to reduce the shortfall in capital funding discussed later in this report.

<u>Contingency for Inflation / Living Wage</u>

27. A total of £16.1m has been included in the latest MTFS for 2020/21, rising to £30.2m in 2021/22, £44.6m in 2022/23, and £59.3m in 2023/24. This includes the proposed changes mentioned earlier in the report. This contingency will be allocated to services as necessary.

28. The Government’s preferred measure of inflation is the Consumer Price Index (CPI), which the Bank of England is tasked with targeting a 2% rate.

29. However, the Council’s cost base does not always reflect these household inflation measures. Energy and fuel increases, for example, have a much more significant impact. To compensate the draft MTFS assumes 3% per annum inflation over the period 2020/21 to 2023/24.

30. The MTFS provides for annual pay awards of 2%, with an allowance for higher increases in the lower Grades to reflect the impact of the NLW.

31. The central inflation contingency includes provision for an increase of 1% each year in the employer’s pension contribution rate, in line with the requirements of the actuarial assessment.

<u>Financing of Capital</u>

32. Capital financing costs are expected to decrease to £19.2m in 2020/21 (from £22.6m in 2019/20) and then to rise to £24.6m in 2023/24, mainly as a result of increasing financing requirements for the capital programme, partly offset by the proposed change to the minimum revenue provision outlined below.

33. Based on the average remaining economic life of assets held it is proposed to revise the MRP calculation to a period of 40 years, which would reduce the MRP charge to around £6m per annum. It should be noted that the revised approach does not change the overall amount of MRP payable; the same amount is simply repaid over a longer period of time. A saving of £3.5m has been included in the MTFS from 2020/21

<u>Revenue Funding of Capital</u>

34. The budget includes revenue funding of capital expenditure, mainly for the Corporate Asset Investment Fund and for Future Developments, as described under the capital section later in the report. The latest position includes a total of £25.3m in 2020/21, £1.8m in 2021/22, £1.2m in 2022/23 and £1.2m in 2023/24.

Central Expenditure

35. The budget includes (figures are for 2020/21):

- Pensions (£1.7m) - contributions for added years agreed before and as part of Local Government Reorganisation in 1997;
- Members' Expenses and support (£1.2m);
- Flood Defence Levies (£0.3m) payable to the Environment Agency;
- Elections (£0.2m) annual contribution to an earmarked fund to fund County Council elections;
- Financial Arrangements (-£0.7m) – including income from Eastern Shire Purchasing Organisation surpluses and external audit fee costs. This includes a saving of £40,000 (rising to £120,000 by 2022/23) from growth in ESPO's net income.

Central Grants and Other Income

36. The budget includes the following (figures are for 2020/21):

- Improved Better Care Fund (iBCF) grant income (-£11.4m)
- Social Care Grant (new) (-£8.9m)
- Adult and Children's Social Care Support Grant (-£4.1m)
- Adult Social Care - Winter Pressures Grant (-£1.4m)
- "Spring Budget" iBCF (-£0.9m) – one year continuation of the 2019/20 grant
- New Homes Bonus Grant (-£3.7m)
- Bank and Other Interest (-£2.8m) - Interest income relating to Treasury Management investments. The forecast reduces in later years as balances are forecast to be used to fund the capital programme. The levels of interest are based on the expectation that Bank of England base rates will remain at a low level for the foreseeable future.

Adequacy of Earmarked Funds and Robustness of Estimates

37. The Local Government Act 2003 requires the Director of Corporate Resources to report on:

    a) The adequacy of reserves, and
    b) The robustness of the estimates included in the budget.

38. The financial environment continues to be challenging with a number of known major risks over the next few years. These include:

- Non-achievement of savings and income targets. The requirement for savings and additional income totals £73.4m over the next four years of which £32.7m is unidentified. Successful delivery of savings is dependent upon a range of factors, not all of which are in the control of the County Council.
- The financial positions of Health and Social Care are intrinsically linked and of growing importance. In common with the County Council, the Clinical

Commissioning Groups (CCGs) are struggling to produce a balanced budget, although their problems may be more pressing. The implications for the County Council could be reductions in the funding received through the BCF (£30m+) and additional costs as a result of changes in the NHS, such as the Transforming Care programme that will move more care into the community.

- Service pressures resulting in an overspend, including demand-led children's and adult social care, particularly on the children's social care and SEN placements budget.
- Continued increase in the National Living Wage, only notified a few months in advance of each financial year.
- The strength of the economy dictates the funding of the public sector, both directly through council tax and business rate income and indirectly through the influence on Government funding decisions.
- The increasing reliance on income generated from services in other parts of the public sector. Given the much tighter financial environment for the sector it will be challenging to maintain or keep increasing income.
- 2021 is a year which could see the biggest changes to local government for a generation. The following initiatives are all now planned or anticipated to be implemented in that year:

    - 75% Business Rate retention, including significant new responsibilities and a "reset" of the system's baselines.
    - Fair Funding Review, covering redistribution of funding nationally.
    - Health Integration plans implemented.
    - Review of Social Care.
    - Review of SEND reforms - the SEND review will report during 2020, and has been tasked with looking at how to arrive at a fair and sustainable system of high needs support for the future.

39. There are a number of ways that risks will be mitigated and reduced. These are summarised below and explained in more detail in the following paragraphs:

    - General Fund
    - MTFS Contingencies
    - Earmarked funds
    - Effective risk management arrangements.

General Fund

The General Fund balance is available for unforeseen risks that require short term funding. A copy of the earmarked funds policy is included in Appendix C. These risks come in a variety of forms:

- Legal challenges such as judicial reviews that require a change in savings approach.
- Legislative changes that come with a financial penalty, for example general Data Protection Regulations (GDPR).

- Service provision issues that require investment, for example the capital investment to support the High Needs Block Development Plan – see below.
- Variability in income, particularly from asset investments

40. Nationally concern over the impact of SEND reform on High Needs expenditure and the financial difficulties this places on local authorities is growing. The position in Leicestershire reflects the national picture. Following confirmation of pupil destinations for the 2019/20 academic year demand for packages to support pupils with Education, Health and Care Plans (EHCP's) was found to have exceeded that assumed within the High Needs Development Plan and the average unit cost increased. A deficit of £8.2m is forecast for 2019/20, an increase of £2.8m on the original budget plans.

41. For 2020/21 it is estimated that the expenditure in excess of the grant will be £11m assuming that current demand trends continue. The accumulated high needs deficit is then expected to total £19m at the end of 2020/21. The Department are investigating a number of actions that could over the course of the MTFS reduce demand and therefore the overall deficit.

Earmarked Funds

42. The estimated balance for revenue earmarked funds (excluding schools and partnerships) as at 31st March 2020 is £21.7m and for capital funding purposes £46.6m., based on forecasts made in the Autumn 2019 review. Forecasts are currently under review and will be updated as part of the MTFS report to the Cabinet on 7th February 2020. The final level of earmarked funds will be subject to the actual expenditure and any partner contributions, e.g. health funding arrangements and specific grants.

43. Earmarked funds and balances are held for specific purposes. The main earmarked funds and balances projected at 31st March 2020 are:

    (a) Capital Financing (£27.0m). This fund is used to hold MTFS revenue contributions to match the timing of capital expenditure in the capital programme.
    (b) Future Developments (£19.6m). This fund holds the balance of contributions that will be used to fund future developments, mainly capital projects, as they are approved.
    (c) Transformation (£7.7m). The fund is used to invest in transformation projects to achieve efficiency savings and also to fund severance costs.
    (d) Insurance (£13.9m). Funds are held to meet the estimated cost of future claims to enable the County Council to meet excesses not covered by insurance policies. The levels are informed by recommendations by independent advisors. The earmarked funds also include funding for uninsured losses (£5.3m). This is mainly held to meet additional liabilities arising from Municipal Mutual Insurance Ltd (MMI) that is subject to a run-off of claims following liquidation in 1992 and also of other failed insurers such as The Independent Insurance Company.

44. Grant Thornton, the County Council's external auditor, has reviewed the level of earmarked funds held by the County Council as part of its Value for Money review of the 2019-23 MTFS and reported no issues: 'Based on the work carried out we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.'

45. CIPFA has also recently released results of its Financial Resilience Index, which uses key indicators of the financial position of local authorities, including the level of earmarked and unallocated funds, reserves depletion time, and comparisons of children's and adult social care budgets and council tax and business rates income to the net revenue budget. When compared with County Councils, Leicestershire is in the lower risk range across the board.

School Balances

46. Balances are also held by schools. They are held for two main reasons. Firstly, as a contingency against financial risks and secondly, to save to meet planned commitments in future years. The balance at 31st March 2019 was £8.7m. The balance at 31st March 2020 has not been estimated but is expected to have reduced as a result of spending pressure. It is also affected by the number of schools converting to Academies.

Insurance Policy

47. The Council's Insurance programme is arranged in conjunction with its appointed Insurance Brokers. The approach is outlined in the Insurance policy, which is attached as Appendix D.

Capital Programme 2020/21 to 2023/24

48. The programme has been updated for the latest programme of deliverability and resources. The latest draft capital programme totals £603m over the four years 2020 to 2024.

49. The expenditure profiles on schemes within the programme have been reviewed for the latest estimates and deliverability in the programme year, particularly in the first year, 2020/21. Overall, the changes balance out across the MTFS. The major profile changes are:

- A&C – Specialist Dementia Facility, £5m reprofiled to later years. The entire funding was originally included in 2020/21 which has now been revised following a detailed project plan.
- E&T – Lutterworth Development Infrastructure, £43m reprofiled to later years as a result of the latest project and planning requirements.
- E&T – Melton Mowbray Distributor Road – North and East Sections, £19m reprofiled to later years, for latest programme dates.
- Corporate – Quorn Solar Farm and Barrow Road Industrial Units - £7m reprofiled to later years. A revision to the programme, as advised by project consultants.

50. There have also been some funding changes to revenue /earmarked fund contributions to the programme to reflect the revenue changes mentioned earlier and the latest capital spend profiles. The latest overall position shows overall funding of £382m across the four years, leaving a revised funding required of £221m.

51. The overall approach to developing the capital programme is set out in the capital strategy (Appendix F) and is based on the following key principles:

- To invest in priority areas including roads, infrastructure, economic growth and projects that generate a positive revenue return.
- Passport Government capital grants received for key priorities for highways and education to those departments.
- Maximise the achievement of capital receipts.
- Maximise other sources of income such as bids to the Department for Education, LLEP, section106 developer contributions and other external funding agencies.
- No or limited prudential borrowing (only if the returns exceed the borrowing costs).

52. Where capital projects are not yet fully developed or plans agreed these have been included under the heading of ‘Future Developments’ under each departmental programme. It is intended that as these schemes are developed during the year, they will be assessed against the balance of available resources and included in the capital programme as appropriate. A fund of £60m is included in the draft capital programme. The balance on the existing fund has been added to the new capital programme.

Funding and Affordability

Forward Funding

53. The County Council recognises the need to forward fund investment in infrastructure projects to enable new schools and roads to be built and unlock growth in Leicestershire before funding, mainly from section 106 developer contributions, is received. Forward funding of £28m for schools and £73m for highways has been included within the capital programme. When the expected developer contributions are received, they will be earmarked to the capital programme, to reduce the dependency on internal cash balances in the future.

54. Forward funding presents a significant financial commitment for the County Council, but should ensure:

- External funding is maximised, through successful bids.
- The final cost of infrastructure investment is reduced (compared with what it would be if construction was delivered incrementally as and when smaller developments come forward).
- The design is optimised, to benefit of the local community.

55. The MTFS also includes additional revenue income from district councils from a share of the estimated increase in council tax and business rates generated as a result of the investment.

56. There are risks involved in managing and financing a programme of this size. There is reduced scope for funding additional schemes that are identified in the future. And an increased reliance on developer contributions through section 106 agreements means that it may take many years for investment to be repaid. This could be further compounded in the event of an economic slowdown. To this end, support of district councils is essential to ensure the agreements reached with developers mitigate these risks.

57. The risk with forward funding is that the impact of insufficient or delayed contributions, from developers, will fall upon the County Council. A key determinant in generating sufficient developer contributions is the approach taken by the district council, as the planning authority. The district council will set the local planning context against which section 106 agreements will be agreed and ultimately decide on planning permission. The agreement will ensure the County Council and district council work together effectively, for mutual benefit.

58. Given the benefits to Leicestershire that the increased investment will bring it is considered that district councils should share in these risks in a proportionate way. The County will look to develop risk-sharing agreements with districts in relation to major infrastructure schemes being progressed in their areas; district councils will benefit directly through additional tax revenues and increases in government grants. However, the circumstances around individual projects vary hence unique agreements will be required for each district council.

59. Given the overall level of forward funding, over £100m, it is imperative that these agreements provide some protection to the County Council.

Capital Receipts

60. The generation of capital receipts is a key priority for the County Council. The draft capital programme includes an estimate of £16m across the four years to 2023/24. This position includes the delay of £9m in capital receipts from 2019/20.

Revenue / Earmarked Funds/ Contributions

61. The capital strategy recognises the need to limit the need for prudential (unsupported by Government) borrowing and the associated financing costs. A total of £76m has been included in the draft programme funded from:

One-off MTFS 2020-24 revenue contributions	£31m
Departmental earmarked funds	£4m
Capital Financing earmarked fund	£28m
Future Developments fund	£13m
Total	£76m

External Contributions and Earmarked Capital Funds

62. A total of £43m is included in the funding of the capital programme 2020-24. This includes £32m from section 106 developer contributions.

Funding from Internal Balances

63. A total of £221m in funding required is included within the capital programme to fund the programme and enable investment in schools and highway infrastructure to be made. Over the next 10 to 15 years it is anticipated that circa £100m of this funding will be repaid through the associated section 106 developer contributions.

64. Due to the strength of the County Council's balance sheet, it is possible to use internal balances (cash balances) to fund the capital programme on a temporary basis instead of raising new loans. Levels of cash balances held by the Council, currently £260m, comprise the amounts held for earmarked funds, provisions, Minimum Revenue Provision (MRP) set aside for the repayment of debt, and working capital of the Council. The cost of raising of external loans currently exceeds the cost of interest lost on cash balances by circa 2.5%.

65. The overall cost of using internal balances to fund £221m of investment is estimated to be £8m per annum by 2024/25, comprising MRP of £6m and reduced interest from investments of £2m. This is a prudent assessment as the impact will reduce in future years as the funding is repaid.

Departmental Programmes

66. The details of departmental programmes, except the corporate programme, have been reported to the relevant scrutiny committees in January. The corporate programme (Appendix E) is covered below:

Corporate Programme

67. The corporate programme totals £145m for 2020-24. The main area is the investment in the Corporate Asset Investment Fund (CAIF), totalling £85m, of property and land assets to improve economic development, replace assets sold to generate capital receipts, and generate ongoing revenue returns. The CAIF programme includes allocations for Industrial Properties and County Farms for general improvements (£2m).

68. The latest CAIF strategy reported to Scrutiny commission in September 2019 includes investment opportunities that would increase the overall CAIF programme to £260m. Current holdings plus schemes in the 2019/20 and draft 2020-2024 capital programme will result in a total holding of £203m. A balance of £57m has been included for new asset investments. The strategy will be appended to the MTFS report to the Cabinet, with minor updates.

69. The corporate programme also includes additional funding of £60m for the Future Developments fund. The Fund is held to contribute towards schemes that have

been identified but are not sufficiently detailed for inclusion in the capital programme at this time. There is a long list of projects that may require funding over the next 4 years. These include investment in infrastructure for schools and roads arising from increases in population, investment in health and social care service user accommodation, highways match funding of capital bids, and investment in the efficiency and productivity programme. The list of future developments is continually refreshed. Bids from the fund will managed through prioritisation and where possible the identification of alternative funding sources. This approach forms part of the wider strategy to ensure that the capital programme is deliverable, affordable and the risks are understood, in line with CIPFA's requirements.

Budget Consultation

70. The Cabinet at its meeting in December 2019 approved the MTFS proposals for consultation. The consultation asked for views on the savings plan and the appetite for Council Tax increases. The consultation closes on 19th January 2020 and a report on the outcome will be included within the MTFS report to the Cabinet on 7th February 2020.

Results of Scrutiny Process

71. The Overview and Scrutiny Committees and the Scrutiny Commission have received detailed reports on the revenue budget and capital programme proposals, which can be viewed via the County Council's website (www.leicestershire.gov.uk). A summary of the comments arising from the meetings of Scrutiny bodies will be presented with the MTFS report to the Cabinet on 7th February 2020.

Equality and Human Rights Implications

72. Public authorities are required by law to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between people who share protected characteristics and those who do not; and
- Foster good relations between people who share protected characteristics and those who do not.

73. Many aspects of the County Council's MTFS may affect service users who have a protected characteristic under equalities legislation. An assessment of the impact of the proposals on the protected groups must be undertaken at a formative stage prior to any final decisions being made. Such assessments will be undertaken in light of the potential impact of proposals and the timing of any proposed changes. Those assessments will be revised as the proposals are developed to ensure that decision-makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic.

74. Proposals in relation to savings arising out of a reduction in posts will be subject to the County Council's Organisational Change policy which requires an Equality Impact Assessment to be undertaken as part of the Action Plan.

Crime and Disorder Implications

75. Some aspects of the County Council's MTFS are directed towards providing services which will support the reduction of crime and disorder.

Environmental Implications

76. The MTFS will include schemes to support the Council's response to climate change and to make environmental improvements.

Partnership Working and Associated Issues

77. As part of the efficiency programme and improvements to services, working with partners and service users will be considered along with any impact issues, and they will be consulted on any proposals which affect them.

Risk Assessments

78. As this report states, risks and uncertainties surrounding the financial outlook are significant. The risks are included in the Corporate Risk Register which is regularly updated and reported to the Corporate Governance Committee.

Background Papers

Report to the County Council on 20th February 2019: Medium Term Financial Strategy 2019/20-2022/23 - http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=5125

County Council Strategic Plan –
https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan

Report to the Cabinet on 17th December 2019: Provisional Medium Term Financial Strategy 2020/21 – 2023/24 -
http://politics.leics.gov.uk/documents/s150282/MTFS%202020-24%20-%20Cab%20171219%20final.pdf

Appendices

Appendix A: Four Year Revenue Budget 2020/21 to 2023/24
Appendix B: Corporate and Central Items Revenue Budget 2020/21
Appendix C: Earmarked Funds Policy
Appendix D: Insurance Policy
Appendix E: Corporate Capital Programme 2020/21 to 2023/24
Appendix F: Capital Strategy

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