

Decision Maker: **ADULT CARE AND HEALTH POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

Date: **Wednesday 22nd January 2020**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **ADULT CARE AND HEALTH PORTFOLIO DRAFT BUDGET 2020/21**

Contact Officer: James Mullender, Head of Finance, Adults, Health & Housing
Tel: 020 8313 4196 E-mail: James.Mullender@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1. The prime purpose of this report is to consider the Portfolio Holder's Draft 2020/21 Budget which incorporates future cost pressures and initial draft budget saving options which are being reported to Executive on 15th January 2020. Members are requested to consider the initial draft budget being proposed and also identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.
 - 1.2. Executive are requesting that each PDS Committee consider the proposed initial draft budget savings and cost pressures for their Portfolio and the views of each PDS Committee be reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2020/21 Council Tax levels.
 - 1.3. There are still outstanding issues and areas of uncertainty remaining. Any further updates will be included in the 2020/21 Council Tax report to the next meeting of the Executive.
-

2. **RECOMMENDATIONS**

2.1 **The Adult Care and Health PDS Committee is requested to:**

- i) **Consider the update on the financial forecast for 2020/21 to 2023/24;**
- ii) **Consider the initial draft 2020/21 budget as a basis for setting the 2020/21 budget; and**
- iii) **Provide comments on the initial draft 2020/21 budget for the February meeting of the Council's Executive.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Adult Care and Health Portfolio budget setting supports the provision of services to vulnerable adults
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Adult Care and Health portfolio budgets
 4. Total current budget for this head: £74,615k (draft 2020/21 budget)
 5. Source of funding: Draft revenue budget for 2020/21
-

Personnel

1. Number of staff (current and additional): Full details will be available with the Council's 2020/21 Financial Control Budget to be published in March 2020
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Local Government Act 2000; the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2020/21 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

3.1. APPROACH TO BUDGETING, FINANCIAL CONTEXT AND ECONOMIC SITUATION WHICH CAN IMPACT ON PUBLIC FINANCES

3.1.1. In considering this report, further background information was available through the Members' seminars as follows:

(a) Members' Welfare Reform Seminar on 14th January 2019;

(b) Members' Finance Seminar on 24th June 2019.

3.1.2. Details of the Provisional Local Government Finance Settlement 2020/21, Council-wide Draft 2020/21 Budget and Financial Forecast 2021/22 to 2023/24, and an update on the Council's financial strategy are being reported to Executive on 15th January 2020. Members should consider that report in conjunction with this report for the Adult Care and Health portfolio.

3.1.3. Forward financial planning and financial management is a key strength at Bromley and this has been recognised previously by our external auditors. This report continues to forecast the financial prospects for the next 4 years and includes the outcome of the Provisional Local Government Finance Settlement 2020/21. It is important to note that some caution is required in considering any projections for 2021/22 to 2023/24 as this depends on the outcome of the Government's next awaited Spending Review period as well as the awaited impact of the Fair Funding Review and Devolution of Business Rates.

3.1.4. A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. An "Update on Economic Situation which can impact on Public Finances" is provided in Appendix 1 of the report to the Executive.

3.1.5. Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure. Despite the announcements by the Government that "austerity is over", local government funding remains 'unprotected' and the impact of additional funding for NHS and other 'protected' services results in likely real term funding reductions remaining for local government or even if funding levels are maintained the ongoing demographic and other costs pressures are unlikely to be matched by corresponding increases in government funding.

3.1.6. The financial forecast assumes ongoing funding reductions from 2021/22, at a significantly lower rate, compared with previous years. The Spending Round 2019 provided funding proposals for one year only and the financial forecast assumes that various elements of the additional funding will continue in future years which may be optimistic. For local government the fiscal squeeze is likely to continue, whilst cost pressures remain and to reflect the ongoing prioritisation of funding for health, education, police and other security services.

3.1.7. The Budget Strategy has to be set within the context of a reducing resource base or at the very least cost and demographic pressures not being matched by Government or other external funding with potential ongoing Government funding reductions in real terms, although at a lower level compared with previous years – the on-going need to reduce the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the budget gap as the gap could increase further.

3.1.8. Bromley has the second lowest settlement funding per head of population in 2019/20 for the whole of London, giving us £112 per head of population compared with the average in London of £297 – the highest is £503. Despite this, Bromley has retained the third lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). If

the council tax was the average of the five other low grant funded boroughs, our income would increase by £25m. The lower council tax level has been achieved by having one of the lowest costs per head of population in outer London. The Council has expressed and continues to express serious concerns with the current and previous governments about the fairness of the funding system and to lobby for a fairer deal for our residents. Despite being a low cost authority, Bromley has achieved general savings of around £100m since 2011/12 but it becomes more challenging to achieve further savings with a low cost base.

3.2. SUMMARY OF FINANCIAL FORECAST

- 3.2.1. Details of the financial forecast are provided in the Draft 2020/21 Budget and Update on the Council's Financial Strategy 2021/22 to 2023/24 report to the Executive on 15th January 2020. This shows that even though the draft budget would be broadly balanced next year, the future year's budget gap is projected to increase to £16.9m per annum by 2023/24. Even using a 'best case scenario' that there are no government grant reductions over the four year period, the final budget gap in future years will remain (£7.9m).
- 3.2.2. In the financial forecast, after allowing for inflation, council tax income and other changes we have an unfunded budget gap due to reductions in government funding and net service growth/cost pressures. Therefore significant elements of service growth/cost pressures are effectively unfunded. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all have to consider what level of growth the council can afford and the need for significant mitigation or alternative transformation options.
- 3.2.3. In considering action required to address the medium term "budget gap", the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer term solutions. Significant savings of around £100m have been realised since 2011/12. Our council has to balance between the needs of service users and the burden of council tax on council tax payers. With the Government placing severe reductions in the level of grant support, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income.

3.3. CHANGES SINCE THE 2019/20 BUDGET THAT IMPACT ON THE DRAFT 2020/21 BUDGET AND FINANCIAL FORECAST

- 3.3.1. The 2019/20 Council Tax report reported to Executive in February 2019 identified a significant "budget gap" over the four year financial planning period. Some key changes are summarised below.
- 3.3.2. The Provisional Local Government Finance Settlement 2020/21, which covers 2020/21 only, provides a significant improvement in funding for local government and represents the most positive funding proposal for local government since austerity began 10 years ago. Some of the proposals may ultimately be for one year only which results in uncertainty for future years.
- 3.3.3. The main measure of inflation for annual price increases for the Council's contracted out services is Retail Price Index (excluding mortgage interest rates) i.e. RPIX. This measure is normally up to 1% above the Consumer Price Index (CPI) level. The Draft 2020/21 Budget assumes contract price increases of 2.3%, per annum from 2020/21, which compares with the existing RPIX of 2.3%. Increases of 2.5% per annum have been assumed, at this stage, from 2021/22. Action will need to be taken by Chief Officers to fund increasing costs through alternative savings in the event that inflation exceeds the budget assumptions.
- 3.3.4. Given the scale of savings identified and any inherent risks, the need for longer term financial planning, the uncertainty on future year cost pressures, significant changes that may follow relating to future new burdens, effect of ongoing population increases and the potential impact

of other public agencies identifying savings which impact on the Council’s costs, a prudent approach has been adopted in considering the Central Contingency Sum required to mitigate against these risks. If the monies remaining are not required during the year the policy of using these resources, in general, for investment, generate income/savings and provide a more sustainable financial position should continue.

3.3.5. The 2019 Spending Round included an announcement of additional funding (£1bn nationally) that can be used towards children’s social care and adult social care. This equates to £4.2m for Bromley. The additional funding should be considered to partly offset the growth/cost pressures identified in paragraph 3.3.9.

3.3.6. With a remaining uncertainty on Government funding available in the future and the ongoing requirement for local authorities to be more self-sufficient, there is a need to consider what significant changes are required to manage within this new environment. The required changes relate to opportunities for partnership working, collaboration, reviewing the approach to managing risks, using technology to enable transformation of our services, helping people help themselves (friends groups) and exploring opportunities around community based place shaping led by the Council as a community leader. The Council will need to plan for significant changes including the risk of a future recession. As pressures in statutory services such as adult social care, children’s social care and high needs as well as homelessness are growing, the scope to invest in local priorities and services that benefit the widest range of people is reducing. The Council has delivered savings of around £100m per annum over the last 9 years and as the ability to make savings in lower priority areas becomes more problematic. The need for savings in areas that support the Council’s key priorities becomes more critical to meet the legal requirements for a balanced budget. The Council will continue to look for ways to operate more efficiently and generate more income but this alone will not be enough to meet the future years’ budget gap. The key consideration is how the Council can balance the budget over the next four years. Apart from the core statutory minimum review, Chief Officers are undertaking a transformational review across all services, focussing on higher spend services first with options being presented to future meetings. The outcome of the transformation review will be a key consideration in addressing the budget gap over the next four years.

3.3.7. The Adult Care & Health Portfolio Draft 2020/21 Budget includes the first phase of savings identified through the Transformation Programme which equate annual savings of £1.2m in 2020/21, £1.2m in 2021/22, £1.3m in 2022/23 and £1.3m in 2023/24. A summary of the savings are provided below with more details within Appendix 1:

Transformation Savings – Phase 1

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Senior Leadership Review & Vacancy Factor	419	419	419	419
Various Adult Social Care Initiatives	791	791	859	859
Total	1,210	1,210	1,278	1,278

3.3.8. This key work continues and further proposals will be reported to Members as part of addressing the four year financial forecast and meeting the ‘budget gap’ whilst ensuring key priorities are met.

3.3.9. There remain significant cost/growth pressures impacting on Adult Care & Health budgets as well as opportunities for the mitigation of costs which have been reflected in the Draft 2020/21 Budget and financial forecast which are summarised below with more details in Appendix 1:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Growth/cost pressures	6,073	9,074	10,694	12,107
Mitigation	-1,668	-2,118	-2,568	-2,778
Net additional costs	4,405	6,956	8,126	9,329

3.3.10. It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded at the present time, with options to help achieve a balanced budget, including any mitigation over the financial forecast period.

3.3.11. In March 2017, after the Council agreed its 2018/19 Budget, the Government agreed further IBCF non-recurring funding of £4.463m in 2017/18, £3.363m in 2018/19 and £1.677m in 2019/20. The utilisation of these monies required the joint agreement with Bromley CCG. The Provisional Local Government Finance Settlement 2020/21 has confirmed that the non-recurring funding for 2019/20 will continue for another year. On the basis that these monies cannot be assumed to be ongoing, the monies should be set aside to fund one off initiatives which has been assumed for the Draft 2020/21 Budget. The most effective use of any additional funding would be to create a 'whole system reserve' that can be called to avoid any crisis in the joint health and social care systems. This can include, for example, utilising resources to aid hospital discharge when the clients still have complex needs. Many of our providers will not take people at this level of intensity without an enhanced payment - the reserve could be used to fund this. This effectively provides an expansion of winter pressures funding but will be used in other times of the year.

3.4. DETAILED DRAFT 2020/21 BUDGET

3.4.1. Detailed Draft 2020/21 Budgets are attached in Appendix 1 and will form the basis for the overall final Portfolio/Departmental budgets after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets are forwarded to PDS committees for scrutiny and comment prior to the next Executive meeting in February.

3.4.2. Appendix 1 sets out:

- A summary of the Draft 2020/21 Revenue Budget for the Portfolio showing actual 2018/19 expenditure, 2019/20 budget, 2020/21 budget and overall variations in planned spending between 2019/20 and 2020/21;
- A summary of the main reasons for variations for the Portfolio in planned spending between 2019/20 and 2020/21 together with supporting notes;
- A high level subjective summary for the Portfolio showing expenditure on employees, premises etc.

3.5. HEALTH AND SOCIAL CARE

3.5.1. The Spending Review and Autumn Statement 2015 referred to "the Government will integrate health and social care across the country by 2020 and requires every part of the country to have a plan in place by 2017 for full implementation by 2020". This was a significant step combined with wider integration proposals with health and social care evolving in different parts of the country. One example of integration includes the work undertaken in Manchester which seeks to ensure integration maintains local democratic accountability at its core.

3.5.2. Bromley CCG is co-terminus with the Council's boundaries which makes any pooling of resources for a shared locality more straightforward. The Council is working with Bromley CCG to explore opportunities for the delivery of local integration of health and social care. Integration will help protect social care and provide more effective services to people in the

community. There are close interdependencies between health and social care which was recognised by the Government in the creation of the Better Care Fund. Opportunities will be explored including the pooling of resources across the locality if it enables better opportunities for value for money, economies of scale, reduce duplication and streamline processes. The state of finances within the NHS, particularly amongst health providers, does create an inherent risk and therefore any integration arrangement must fully consider the implications, including the level of financial risk.

- 3.5.3. Advice from Chartered Institute of Public Finance and Accountancy (CIPFA) states that Councils have a duty to their own council taxpayers as well as their clients and need to ensure that their council taxpayers are not, in effect, being asked to underwrite a portion of NHS costs.
- 3.5.4. The impact of the Sustainability and Transformation Plans led by the health services and the continuation of the Better Care Fund and Improved Better Care Fund will be monitored closely to identify the risks/opportunities that may arise to meet the Building a Better Bromley priorities.
- 3.5.5. The Government plan to provide £33bn additional funding to NHS by 2023/24 which may result in additional financial support for integration opportunities.

3.6. REVIEW OF FEES AND CHARGES

- 3.6.1. There will need to be an ongoing review identifying opportunities as the medium term 'budget gap' remains significant. Chief Officers will continue to review fees and charges during 2020/21 to identify opportunities to reduce the future years 'budget gap'.

3.7. IDENTIFYING FURTHER SAVINGS/MITIGATION

- 3.7.1. The scale of savings required in future years cannot be met by efficiency alone – there will be a need for a reduction in the scope and level of services. The council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services. A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of 'unintended consequence' of reducing discretionary services adversely impacting on the cost of statutory services. The Draft 2020/21 Budget includes the first phase of transformation savings identified which are summarised in paragraph 3.3.7. This key work continues and further proposals will be reported to Members as part of addressing the four year financial forecast and meeting the 'budget gap' whilst ensuring key priorities are met.
- 3.7.2. Local Authorities undertake numerous functions and provide a wide range of services. Some are mandatory and some are discretionary. We cannot stop carrying out functions where we are under a duty to deliver that function or service.
- 3.7.3. In 2011 Central Government compiled a list of 1,335 statutory duties which local authorities need to comply with. There followed a consultation on a possible reduction in the number of statutory duties. However this was not taken forward at government level, despite local government facing significant grant reductions. The consensus is that rather than decreasing the number of statutory duties has increased since. For example work recently undertaken on behalf of the Directors of Children's Services indicates that children's services duties have increased by 50% since 2011. Therefore the number of statutory duties Local Authorities need to comply with is now far closer to 2,000 than the 1,335 identified in 2011.
- 3.7.4. Bromley has undertaken several pieces of work to align its services closely with its statutory duties. As part of the most recent work service leads have completed a template which

identifies statutory and non-statutory services within their area to inform and support key Transformation work and each individual work stream is addressing the extent of the statutory service and savings proposed.

- 3.7.5. As part of the core statutory minimum requirements review, the Council will need to consider an element of early intervention and prevention to avoid the escalation of costs arising from more expensive statutory interventions.

3.8. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

Adult Social Care

- 3.8.1. Budgets within Care Services are closely linked and so many risks are held in common. Whilst the number of people requiring support is not rising significantly clients presenting to adult social care are increasingly complex, requiring more complex and costly packages of care. The number of Deprivation of Liberty assessments (DoLs) continues to increase and the Council is preparing for a change in legislation to the new Liberty Protection Safeguards which is it anticipated will increase the numbers again. At the same time, there are continuing demographic pressures, with Bromley having the second highest proportion of the population aged over 65 across London. However, many residents are living longer, healthier lives which is to be celebrated, as is the wider council policy to help maintain residents in their own homes for as long as possible.
- 3.8.2. The Transformation Programme in Adults is seeking to control demand by ensuring that all staff are up to date with alternative forms of help and support within the community and are able to signpost residents as appropriate; we are also providing refresher training to ensure that a strength based approach is taken to all assessments and reviews. All offers of care and support are scrutinised through our Practice Review Groups where we consider all possible ways to support an individual before commissioning is undertaken, including referrals to the CCG for Continuing Health Care funding etc., and other partner and third sector organisations.
- 3.8.3. Our partners who provide clients with care whether in residential homes or in their own homes, are also under significant pressures. Containing our supplier costs will remain challenging in the coming year, and it is the case that we are very dependent on our commissioning team to manage pressures in a number of areas. This is particularly acute in the complexities of children transitioning from children's to adults' services. Reviewing this is also part of the Transformation Programme.
- 3.8.4. The National Living Wage continues to have a significant impact on the care sector where traditionally care workers are remunerated at the lower end of average income levels. In Bromley around 95% of adult social care front line service delivery and spend is in the independent sector. The Council's social care contracts require providers to pay at least the National Minimum Wage; this is currently £8.21 per hour, and will increase to £8.72 from the 1st April 2020 (an increase of 6.2%). The Council continues to review the contractual position with providers and would expect them to be able to demonstrate the specific impact of the NLW on their costs. The Council must also be mindful of its duty to manage and retain a sustainable market sufficient to meet assessed eligible need.
- 3.8.5. Nationally the care worker sector is experiencing recruitment problems partly as a result of pay levels and continued use of zero hours contracts, but also caused by the sector's poor reputation and perceived lack of opportunity for employees. Recruitment issues for the sector locally have meant that domiciliary care providers in particular are not always able to respond in a timely way to requests for support for people living in the community which can have an impact on ensuring timely hospital discharges and avoiding unnecessary hospital admissions. The Step up to Care programme run by the Council is successfully recruiting new staff into the

care sector, providing ongoing training and support, this will hopefully have a positive impact on the whole market across Bromley. The service has successfully reduced the number of agency staff in post, reducing cost and improving the consistency and quality of service offered.

- 3.8.6. The Discharge to Assess team and dedicated providers are helping to reduce delayed transfers of care, the service model has now been changed to reduce the ongoing financial impact on the Council as well as providing good outcomes for individuals.

Public Health

- 3.8.7. Savings have been achieved in sexual health services from a redesign of the services with the introduction of on-line testing and shift to other community-based services and a reduction in the more expensive hospital-based service. The introduction of the London tariff has also resulted in a significant price reduction. In total, around £500k per annum has been saved.
- 3.8.8. There is a risk from growth in activity; due to the continuous increase in incidence of sexually transmitted diseases (STIs), the level of savings will start to reduce and eventually, if not controlled, the level of activity will outstrip the savings and could lead to overspend.
- 3.8.9. There are also additional risks resulting from increase in the London tariff with new and more costly treatments included in the currency. This will further impact on the level of savings leading to potential overspend.
- 3.8.10. As a result of the recent re-procurement of the substance misuse services, an annual saving of £74k has been achieved. This is against the background of previous savings of £325k achieved in 2016-17.
- 3.8.11. There are risks from growth in activity relating to substance misuse. To date, the growth has been contained through service redesign and additional costs being absorbed by the provider as an added value element to the contract. However, significant growth in activity continues as a result of the unmet need.
- 3.8.12. Due to a national problem with the supply of a key medicine used for treatment of substance misuse, a cost-sharing agreement has been reached with the provider who is paying for the increased costs medicine, whilst Public Health is meeting the dispensing costs. Public Health England has advised that this problem will continue in the foreseeable future and therefore, this remains a risk.
- 3.8.13. The inflationary increase in Public Health grant has been announced, but the level of this increase is still unknown. Additionally, it is likely that this increase in grant will have conditions attached to it. The main conditions could be meeting the cost of additional activity in sexual health clinics due to a new treatment regime and increase in the NHS contract cost due to staff salaries uplift.
- 3.8.14. Whilst the Department will endeavour to meet its budgetary commitments there remains a risk from increasing demands and pressures on budgets. This will mean that additional in year pressures may occur leading to overspends in those areas, which the Department will seek to mitigate as far as possible.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The Draft 2020/21 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

5. POLICY IMPLICATIONS

- 5.1 The Draft 2020/21 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium term financial plan. The Council continues to deliver key services and lives within its means.

6. FINANCIAL IMPLICATIONS

- 6.1 Financial implications are contained within the overall body of the report.

7. PERSONNEL IMPLICATIONS

- 7.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2020/21 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

8. LEGAL IMPLICATIONS

- 8.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. The Local Government Finance Act 1992 (as amended) requires the Council to set an amount of Council Tax for each financial year and provides that it must be set before 11th March in the financial year preceding that for which it is set. Sections 73-79 of the Localism Act 2011 amended the calculations billing and precepting authorities need to make in determining the basic amount of Council Tax. The changes included new sections 31 A and 31 B to the Local Government Finance Act 1992 which has modified the way in which a billing authority calculates its budget requirement and basic amount of Council Tax.
- 8.2 Schedule 5 to the Localism Act 2011 inserted a new section 52ZB in the 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply.
- 8.3 The making of these budget decisions at full Council is a statutory responsibility for all Members. Members should also have regard to the changes from the Localism Act relating to council tax increases and the recent introduction of the Adult Social Care precept. The Council has a number of statutory duties which it must fulfil by law – although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties – although it may be bound contractually to do so. A decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public Sector Equality Duties in section 149 of the Equality Act 2010. In doing so, the council must have due regard to elimination of discrimination, harassment and victimization, advance equality of opportunity and foster good relations with persons who share a protected characteristic.
- 8.4 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring adequacy of future years reserves in making budget decisions and section 25 of that Act requires the Director of Finance to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of the

reserves. Further details to support these obligations will be reflected in the 2020/21 Council Tax report to be reported to the February meeting of the Executive.

Non-Applicable Sections:	Procurement Implications
Background Documents: (Access via Contact Officer)	Draft 2020/21 Budget and Update on the Council's Financial Strategy 2021/22 to 2023/24, Executive 15 th January 2020. Finance monitoring, Estimate Documents, etc all held in Finance Section