



# Doncaster Council

## Agenda

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To all Members of the

# CABINET

Notice is given that a Meeting of the Cabinet is to be held as follows:

**Venue:** Council Chamber - Civic Office, Waterdale, Doncaster, DN1 3BU

**Date:** Wednesday, 17th November, 2021

**Time:** 10.00 am

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**Please Note:** Due to current restrictions arising from the Covid-19 pandemic, there will be very limited capacity in the public gallery for observers of the meeting. If you would like to attend to observe in person, please contact Governance Services on 01302 737462 / 736723 / 736716 / 736709 to request a place, no later than **12.00 noon on Tuesday, 16th November, 2021**. Please note that the pre-booked places will be allocated on a 'first come, first served' basis and once pre-booked capacity has been reached there will be no further public admittance to the meeting. For those who are attending the meeting, please bring a face covering, unless you are exempt.

### BROADCASTING NOTICE

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**Damian Allen**  
Chief Executive

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Issued on: Tuesday, 9 November 2021

**Governance Services Officer for this meeting:**

Andrea Hedges  
Tel. 01302 736716

**Doncaster Metropolitan Borough Council**

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## Items

1. Apologies for Absence.
2. To consider the extent, if any, to which the public and press are to be excluded from the meeting.
3. Public Questions and Statements.  
**(A period not exceeding 20 minutes for questions and statements from members of the public and Elected Members to the Mayor of Doncaster, Ros Jones. Questions/Statements should relate specifically to an item of business on the agenda and be limited to a maximum of 100 words. As stated within Executive Procedure Rule 3.3 each person will be allowed to submit one question/statement per meeting. A question may only be asked if notice has been given by e-mail to the Governance Team no later than 5.00 p.m. on Friday, 12th November 2021. Each question or statement must give the name and address of the person submitting it. Questions/Statements should be sent to the Governance Team, Floor 2, Civic Office, Waterdale, Doncaster, DN1 3BU, or by email to [Democratic.Services@doncaster.gov.uk](mailto:Democratic.Services@doncaster.gov.uk)).**
4. Declarations of Interest, if any.
5. Decision Record Forms from the meeting held on 20th October 2021 for noting (previously circulated).
- A. Reports where the public and press may not be excluded**

### **Key Decisions**

6. Updates to Medium-Term Financial Strategy (MTFS) 2022/23 - 2024/25.

## **Cabinet Members**

### **Cabinet Responsibility For:**

**Chair – Ros Jones, Mayor of  
Doncaster**

Budget and Policy Framework

**Vice-Chair – Deputy Mayor  
Councillor Glyn Jones**

Housing and Equalities

Councillor Lani-Mae Ball  
Councillor Nigel Ball

Portfolio Holder for Education, Skills and Young People  
Portfolio Holder for Public Health, Leisure, Culture and  
Planning

Councillor Joe Blackham

Portfolio Holder for Highways, Infrastructure and  
Enforcement

Councillor Rachael Blake

Portfolio Holder for Children's Social Care,  
Communities and Equalities

Councillor Phil Cole  
Councillor Mark Houlbrook  
Councillor Jane Nightingale  
Councillor Andrea Robinson

Portfolio Holder for Finance and Trading Services  
Portfolio Holder for Sustainability and Waste  
Portfolio Holder for Corporate Resources  
Portfolio Holder for Adult Social Care

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## Doncaster Council

### Report

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Date: 17 November 2021

To the Chair and Members of  
CABINET

#### UPDATES TO MEDIUM-TERM FINANCIAL STRATEGY (MTFS) 2022/23 – 2024/25

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

#### EXECUTIVE SUMMARY

1. The purpose of the report is to outline the financial challenge for the Council, which is an estimated funding gap of £8.3m for 2022/23 and £12.2m over the next three financial years, based on modelling work undertaken and the most likely scenario.
2. Full details on the forecast are provided in the report at paragraphs 11 to 40, including the continued uncertainties in relation to forecasting costs and income over the medium-term.

This includes significant pressures across a number of Council services, in particular Adult Social Care and Children's Social Care; this position is consistent with national trends.

In addition, we are facing significant pressures in relation to the ring-fenced Dedicated Schools Grant, which is outlined in paragraph 24 of the report.

3. There also remains considerable uncertainty in relation to forecasting the funding from government. The Chancellors Autumn budget and Spending Review on the 27<sup>th</sup> October, 2021 provided some details, however the funding settlement for Doncaster is expected to be made available mid-December 2021.
4. Nevertheless, the Council has a good track record of managing finances well and although, we recognise how difficult it will be, we will continue to take a robust approach to produce a balanced budget. Over the next few months, we will be working hard to address how we bridge the gap with our support for Doncaster people, communities and businesses remaining at the forefront of all decision making.

## **EXEMPT REPORT**

5. Not applicable.

## **RECOMMENDATIONS**

6. Cabinet are asked to note the report.

## **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

7. The Council will continue to care for and protect the most vulnerable in society but it is inevitable that as the Council becomes a leaner organisation that citizens will see services delivered in new and different ways.

## **BACKGROUND**

### **Financial Strategy**

8. The Medium Term Financial Strategy (MTFS) is a three year financial plan, which sets out the Council's commitment to provide value for money services to deliver our mission for Thriving People, Places and Planet, within the overall resources available to it. The MTFS shows how our Council's finances will be structured and managed to ensure that this fits with, and supports, the delivery of our well-being goals and eight crosscutting priorities ('Great 8'), which will drive delivery of the work.
9. The overall aims of our Financial strategy are:
  - To ensure that effective financial planning and management contributes to the Council achieving our central mission and well-being goals;
  - To direct resources as required to support the achievement of our well-being goals and provide the funding required to deliver the 'great 8' priorities;
  - To maximise the income from Council Tax and Business Rates revenue;
  - To maximise income from commercial and regeneration opportunities adding value to the economy;
  - To evaluate budget performance to assess the effectiveness of resource allocation.
  - To continue to improve value for money - managing people and our money more efficiently, streamlining processes and systems, getting better value from commissioning and procurement, whilst seeking to minimise the impact of budget savings on priority services.
  - To ensure the Council's financial standing is prudent, robust, stable and sustainable.
10. The Doncaster Delivering Together (DDT) Strategy enables us to align our policy and budgetary planning cycle, with our partners in Team Doncaster, to jointly agreed goals over the longer term. This focuses on 'getting things done' and a whole system approach to delivery.

## MTFS

11. We are now well versed in the financial challenges leading into the next budget period. The average reduction in Council core revenue spending power<sup>1</sup> between 2010/11 and 2021/22 was 22.2% nationally; however, the reduction for Doncaster was greater at 29%, which represents a £350 reduction per resident. We also continue to see, local spending more narrowly focused on social care for children and adults due to the need to meet the growing demand and falling central government funding.
12. Despite the reducing funding, we have continued to set a balanced budget and manage our resources effectively. In March 2021 the Council approved the latest MTFS which set a balanced budget for the 3 years 2021/22 to 2023/24, using a modest level of COVID funding carried forward, summarised below:

	2021/22 £m	2022/23 £m	2023/24 £m	Total 2021/22 – 2023/24 £m
<b>Gap</b>	<b>15.2</b>	<b>1.5</b>	<b>2.2</b>	<b>18.9</b>
Savings approved	-10.0	-5.4	-0.9	-16.3
<b>Recurrent Budget Gap</b>	<b>5.2</b>	<b>-3.9</b>	<b>1.3</b>	<b>2.6</b>
Use of COVID-19 reserve	-5.2	3.9	-1.3	-2.6
<b>Balanced Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Financial Challenges and Risks

13. It has been widely reported that Councils across the country are facing significant financial challenges. In July 2021, the LGA reported that Local authorities across England must find a combined average of £2.5bn extra funding next financial year simply to maintain services at their current levels following the devastating impact of the COVID-19 pandemic. The analysis suggests that adult social care makes up the largest proportion of the added annual cost pressure next year and accounts for an additional £1.1bn. Children's social care will require £0.5bn more, while the bill to maintain all other council services, excluding education, will reach £0.9bn a year. For Doncaster, we budgeted to spend 65% of its total budget on Adults and Children's Services.
14. Our 2021/22 financial monitoring reports show that we are currently managing the financial pressures utilising underspends and specific COVID funding received. However, we are seeing our pressures increase due to various factors, which are expected to have an ongoing impact on the Council's baseline position. Further details on the pressures are provided below:

#### Adult Social Care

15. Adult Social Care is facing demand pressures currently estimated at between £1.0m and £5.7m over the 3 year period; this range is influenced by the forecasts for future demand including the number of admissions and leavers. The estimated pressure for residential care is based on extrapolating the current activity and including assumptions for future demand taking into account demographics, transitions and growth. Current activity is higher than budgeted due to lower than forecast number of people leaving residential care in recent

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<sup>1</sup> Core Spending Power is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement (LGFS).

months, although overall numbers remain lower than previous years and it isn't expected that this trend continues in the future i.e. we anticipate that the number of people leaving residential care each month will start to increase back to previous levels.

16. There are also more clients receiving direct payments and the complexity of the packages is increasing. In addition, pressures are being experienced for Supported Living due to increased care levels throughout the service. Being able to limit future demand pressures on homecare and direct payments for older people, above demography, relies on our ability to build on recent work redesigning access to adult social care from the community and from hospital and investing to reduce pressures, for example by improving outcomes from reablement / rehabilitation and planned reviews.
17. In addition, the financial impact of maintaining a sustainable market for Adult Social Care is a real challenge. Providers of care are currently facing significant pressures due to increasing costs, vacancies in residential homes and retaining staff caused by a number of factors. This will be further exacerbated by the impact of the National Living Wage (NLW) and National Insurance increases in future years, which will directly affect providers. The Council has ambitions to pay providers to enable them to pay staff the Living Wage Foundation's Real Living Wage (currently £9.50 for UK), however this is not likely to be possible within current available funding. An estimate has not been included for these future pressures at this time, although indicative costs have been calculated, further modelling and impact assessments are required. This is further expanded under the other risks section (paragraphs 34 to 39).
18. There are interdependencies between the market challenges and potential future demand. For example we are committed to supporting people to live at home for as long as possible, therefore we need to invest in sustainable homecare rates otherwise this will lead to needing to place more people in residential care, which will increase the costs of residential care.
19. There are also interdependencies between adult social care and the NHS. It is commonly reported that insufficient adult social care capacity creates pressure on the NHS, for example by delaying the speed at which older people can be discharged home from hospital. The measures that are described above such as improving access, improving outcomes from reablement and seeking to support care providers to pay the Real Living Wage, will help mitigate this. There are also ways that the NHS can help the Council to reduce pressures on Adult Social Care, for example by improving early discharge planning in hospital and by increasing its focus on prevention and rehabilitation in communities.

#### Build Back Better

20. The government have recently published the "Build Back Better: Our Plan for Health and Social Care". This plan is focused on Adult Social Care not Children's Social Care. It includes a 1.25% increase to both employees' and employers' national insurance contributions from April 2022. This equates to an additional cost to the Council of £0.48m for its employees (there may be further costs as a result of suppliers, including social care providers, passing the cost on to the Council). The plan indicates that this additional cost for internal employees will be compensated for, however, the same compensation may not be available for external contracts. If this is not available, this will be an additional pressure and increase the overall budget gap. The plan also includes changes to the way in which people are expected to contribute to the cost of their care. From October 2023, contributions will be capped at £86,000 over a lifetime. Additionally, the upper capital limit will be increased from £23,250 to



£100,000. Both of these measures will reduce client contributions and therefore increase the costs borne by the Council. Finally, the plan refers to moving towards paying a fair rate of care to providers; however, it is not clear if the Council will receive income to compensate for this change. Although some details have been provided in the Autumn Budget and Spending Review announcement, including a commitment for additional future funding, there is insufficient information to fully understand the financial impact on the Council at the present time. The Spending Review provided details on the Adult social care precept, confirming that Councils could apply an additional 1% in 2022/23 and future years. The Council's MTFs currently assumes no additional social care precept for 2022/23-24/25 over and above the 3% announced for 2021/22-22/23.

### Children's Social Care

21. During the pandemic, and periods of lock down, means many services were limited and children were not seen in the usual way, which allowed hidden harm to occur. In usual circumstances, families and other professionals would have seen children in schools, support and intervention would be provided early to prevent harm and crisis. This has led to early missed opportunities and families then requiring statutory services due to the concerns, which are then presented, hence the increase in child protection and some children due to abuse and crisis needing to become looked after. COVID has increased our CIC numbers, complexity of children, and the consequent availability of alternative options to Out of Authority Placements. We envisage there will be a "residual" number of children that have entered care and will be with us for the MTFs period, and beyond. COVID has also required us to increase staffing across various teams.
22. COVID has delayed some of the savings within the previous MTFs for 2020/21, and the next three years. For example, we were looking at reducing (based upon what was, pre- COVID, reducing CIC numbers) Social Workers, IROs and associated admin. It has also affected, for example, legal caseloads. It is anticipated that a number of previous MTFs items will be delayed by one to two years.
23. The Future Placement Strategy (FPS) was developed pre COVID to deal with increasing demand and ensuring that the Trust and the Council draw upon the sufficiency statement to ensure appropriate capacity of placements (foster care/residential care; in-house/out of authority) for our children becoming looked after. The Strategy has a focus on building more in-house provisions, i.e. recruitment of independent foster carers, residential homes and robust commissioning of placements for children with the most complex needs. However, there has been a change in the volume, profile and complexity of children coming into care. For example: The need for specialist residential placements for children with disabilities has grown by 4 out of authority placements in 2021/22 in comparison to 0 growth the year before; an increase in need for independent foster care and in house foster care. Further pressure is added to the Out of Authority spend by very costly post 16 placements – again a trend not seen pre-COVID. This reflects the national picture of placement pressures where demand for placements outstrips supply. This has the negative and significant consequence of the provider market being able to choose which children to take and to add extra costs through the requests for 2:1 and 1:1 resource, which in turn inflates costs. Officers are reconsidering the FPS in the context of a post COVID context, which is overseen by the partnership steering group. The overall direction set out in the FPS will not change, i.e. the recruitment of foster carers, the purchase of houses to provide in-house residential provision and the development of an internal residential unit for

children with disabilities. Due to the additional pressure on the system, the anticipated savings associated with FPS have been revised and are captured in the MTFs.

#### Dedicated Schools Grant

24. The pressures for Out of Authority placements also impact on the Dedicated Schools Grant (DSG), which funds a proportion of the costs. In addition to these pressures, the Council is also facing increased costs in relation to Specialist Post 16 Institutions and Education Health & Care plan (EHCP) Top Up payments, consistent with the national position. Last year there was a 12% increase in EHCPs, which adds pressure on top of the circa 2,500 plans currently being maintained. The Council is forecasting an overspend of £3.0m for 2021/22, leading to an overall cumulative overspend on the DSG of £12.1m. This position is not uncommon to other Councils and although the future funding levels remain uncertain, we are taking action to respond and continue to be held to account by our Schools Forum. Work is underway to review the DSG medium term financial plan in order to ensure robust expenditure projections across the period 2021/22 to 2024/25 and build in anticipated savings expected because of the Future Placement Strategy, new SEND strategy and implementation of the graduated approach.

#### Other Pressures for Children's Services

25. As a direct consequence of an increase in demand for specialist learning provision, the home to school transport budget is facing additional pressure 22/23 onwards. The pressure is caused by new demand, which is in line with what is seen regionally and nationally. Due to increase in demand it is not possible to achieve the staff savings identified, i.e. drivers, escorts and colleagues to coordinate and plan routes. It is still the plan to drive costs down through the issuing of bus passes where appropriate and supporting young people to travel independently. It is anticipated that this will begin to impact in the later years of the MTFP, with the gradual reduction of costs as this approach is fully embedded across the service.
26. As detailed above, there has been a growing demand for social care interventions with increases in the number of children on a child protection plan and the number of children entering care. Now more than ever the Council and Partners need to consider the approach and resourcing of prevention and early intervention in order to stem the flow for social care demand and ensure better outcomes for children and young people in the long term. The evidence regarding the long term impact of prevention and early intervention is building. Throughout the COVID pandemic, there has been a focus on prevention and early intervention within a context of complex presentations, for example: When the partnership needed to respond to an increase of young people presenting with significant mental health needs, there was a preventative intervention attached to schools to support the building of resilience and the early identification of young people. More recently, a temporary increase in early help co-ordinators funded from COVID funding has provided much needed resourcing to support the recovery in relation to the partnership early help response. Feedback from families and services regarding these new posts is very positive and the challenge is how we make this sustainable. There is a strong hypothesis, by providing support at the earliest possible stage, the levels of need for some families will be reduced, which in turn would reduce the need for expensive placements and allow us to wrestle back some control from the national placement provider market.
27. Officers across the Council and DCST are collaborating on the establishment of

a clear resource map in relation to Early Help and prevention. This will set out the funding source, capacity and functions of the current landscape whilst concurrently setting out a coherent Early Help Strategy in the context of integrated locality working. The overall aim being to reduce the demand for statutory social care interventions. Plans are to follow regarding the adequate resourcing going forward, however these will need to be considered within the context of the overall financial position.

#### Wider Council Pressures

28. The Council continues to experience significant reductions in the income from commercial rents and activities for example car parking and trade waste. The ever changing nature of the COVID pandemic presents the services with the difficult challenge of managing the on-going impact of increased expenditure for example waste collection, as well as understanding the future economic position and impact on the recovery of rental income from our assets. We do anticipate that some behaviours have changed for good, for example, it is unlikely that income from car parking will go back to previous levels, thereby presenting an ongoing pressure.
29. Recognising the impact of changes on budgets held e.g. supported accommodation and homelessness accommodation does not attract the full Housing benefit subsidy which becomes an additional cost for the Council.
30. The environment we are operating in has changed which may mean that some savings previously put forward will need revisiting e.g. greater draw on corporate resources required i.e. legal expertise/short breaks increased need.
31. We also need to ensure we continually reflect any increases to the baseline in the relevant budgets. For example, the additional properties delivered across the borough will result in additional service costs i.e. waste collection/disposal.

#### Summary

32. The scale of the challenges currently being faced are significant and will continue to have an impact for several years.
33. Given the uncertainties we have modelled 3 scenarios ranging from the best to the worst case. The following table outlines the most likely scenario which outlines estimated pressures amounting to £13.7m for 2022/23 with £12.2m ongoing pressure to the baseline at the end of the 3 years.

Directorate	2022/23	2023/24	2024/25	Total
Adults, Health & Wellbeing	3.433	-0.142	0.887	4.178
Corporate Resources	0.799			0.799
Council-Wide	0.216	0.059	2.079	2.354
DCST	5.300	-2.354	-1.587	1.359
E&E	2.170	-0.200	0.035	2.005
LOSC	1.755	0.086	-0.352	1.489
<b>Grand Total</b>	<b>13.673</b>	<b>-2.551</b>	<b>1.062</b>	<b>12.184</b>

The best case and worst case positions have been evaluated for the pressures identified, thus enabling consideration of the potential scale of the financial impact and sensitivity of the assumptions involved.

Based on more optimistic assumptions the pressures are £9.4m in 2022/23, with £6m ongoing pressure on the baseline over the 3 years

However, the worst case estimated position for the pressures increases to £20.8m in 2022/23, with £24.2m ongoing pressure on the baseline over the 3 years,

This sensitivity analysis highlights the scale of the uncertainties we are currently facing.

#### Other Risks/Additional Pressures

34. The projected level of the National Living Wage (NLW) for 2023 onwards are shown in the table below (£9.50 was announced for 2022 as part of the spending review): -

Year	2020	2021	2022	2023	2024
Rate p/h	£8.72	£8.91	£9.50	£9.96	£10.33
Change		2.179%	6.622%	4.842%	3.715%

35. If NLW increases in future years (post 2022) are more than shown above, this will increase the current budget gap forecast.
36. The approved MTFs assumption for price inflation was 1.941% for 2022/23 and 3% for subsequent years at an additional cost of £2.800m in 2022/23 and £3.750m in subsequent years. The latest MTFs assumes price inflation increases of 4% in 2022/23 and 2% for subsequent years based on the latest projections for inflation. The updated cost of price inflation is £6.057m in 2022/23, £5.044m in 2023/24 and £4.725m in 2024/25.
37. The updated price inflation costs referred to above includes £3.785m in 2022/23, £3.791m in 2023/24 and £2.453m in 2024/25 for Adults contracts. Based on the NLW estimates and current inflation projections, this figure could increase to £4.236m in 2022/23.
38. The implications of 'Build Back Better: Our Plan for Health and Social Care' have yet to be built into the MTFs as full details are still to be provided. This includes the impact of the 1.25% NI 'Social care Levy' increase on contracts (as well as the Council's employees).
39. As detailed in paragraph 17, further review is required to understand the full implications of moving towards paying the Living Wage Foundation's Real Living Wage for Adult Social Care contracts. It is currently estimated that the additional costs would be circa. £3.6m (based on £10.04) or £8.7m (based on a pay rate of £10.40). This does not include the impact on other contracts or our staff pay levels.
40. Other areas, that remain a priority and continue to be reviewed include:
- Domestic Violence – sustainable funding is needed to ensure that the team can run effectively;
  - Complex lives – the team are currently funded from various grants, which may not continue in the long-term; options are being discussed with Team Doncaster partners.

#### **Overall position**

41. There are some mitigations available to reduce the overall level of pressures detailed above; however, at this stage, a significant balance remains to be identified in our planning. Further details on the mitigations currently incorporated into our planning total are provided below:
- Council Tax & Business Rates – additional income based on a review of council tax collection this year.

The table below shows the sensitivities of changes in assumptions on Council Tax and Business Rates income: -

	2022/23 £'m
<b>Council Tax</b>	
Change in growth in the Council Tax Base of 100	+/- 0.146
Change in Collection Rate of 0.1%	+/- 0.129
<b>Business Rates</b>	
Change in growth of 1%	+/- 0.460

- The MTFs approved in March 2021 included £2m for further pressures in 2022/23, this is therefore available to offset the overall pressures identified.
  - The regulations for the Social Care precept in 2022/23 were detailed in the budget announcement. At the present time, planning assumptions include a 1.5% Social Care Precept, which is the remainder of the 3% maximum that could be applied over the 2 years (2021/22 and 2022/23).
42. Assuming these mitigations are fully utilised would reduce the cost pressures to £8.3m in 2022/23 and £12.2m over the next 3 financial years. A summary of the headline changes are included below, this includes the addition of 2024/25 for the next 3 year period, with consistent assumptions for income:

	2022/23 £'m	2023/24 £'m	2024/25 £'m	Total £'m
Updated Income Estimates	-5.1	1.2	-7.0	-10.9
Increased Inflation – based on NLW/other price inflation estimates	2.3	1.3	7.4	11.0
Budget Pressures	11.7	-2.6	1.1	10.2
Other – including use of one-off reserves	-0.6		2.5	1.9
<b>Total</b>	<b>8.3</b>	<b>-0.1</b>	<b>4.0</b>	<b>12.2</b>

### Reserves

43. Reserves are an important aspect of financial planning, providing one-off funding for future pressures both planned for specific purposes (earmarked reserves) and as a contingency for potential pressures and risks such as emergency events, that may have a financial impact in future years. Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to give assurance on the purpose and adequacy of the reserves of the Council when it is making the statutory calculations required to determine its Council Tax.
44. The Council currently holds £16.5m of uncommitted reserves for unforeseen risks and events.

These reserves need to be carefully managed and applied judiciously. Provided for one off emergencies rather than funding day to day services. This level of uncommitted reserves is not excessive for a Council of our size, which spends circa. £500m a year, £16.5m would only run the Council for 12 days. A risk assessment of the uncommitted reserves is carried out each financial year, when setting the budget and updating the financial plan. This is also regularly reviewed during the financial year as part of the financial monitoring process.

## Next steps

45. The financial position remains volatile and uncertain over the medium-term. We are formulating plans over the medium term with a financial settlement of 1 year. In addition changes to the funding regime have been muted for some time. These include the potential impact of the anticipated Fair Funding Review (FFR), “full reset” of the Business Rates Retention scheme and the impact of the recently announced ‘Build Back Better’ plan for Health and Social Care.
46. Although some further information has been provided in the Budget announcement on the 27<sup>th</sup> October, we will not receive the detail on the government funding for 2022/23 until the provisional settlement in December 2021. Again, this highlights the considerable uncertainty and the need to take charge of our destiny and set out a financial strategy to deliver on the key organisational priorities.

This includes setting a balanced budget over the next 3 years.

The Council is therefore currently undertaking a full review of all budgets to identify options to meet the current estimated gap. This exercise will also review the additional pressures to reduce the financial impact and budgetary shortfall. Later in the financial year, we will also have more details on Council tax and Business rates income collection, which will inform our estimates for these income streams.

47. The MTFs position will continue to be monitored closely and updated as further information is known and the financial impact of cost pressures becomes clearer during the financial year. All the assumptions and options will be considered as part of the budget setting process culminating in the budget proposals, which will be considered by Cabinet on the 16th February, and Council for approval on the 28<sup>th</sup> February 2022

## Council Tax Capping & Referenda

48. Authorities are required to seek approval of their electorate in a referendum if any proposed Council Tax increase exceeds the principles set by Parliament. Full details of the Council Tax Referendum Cap and calculation will be presented as part of the Council Tax setting report to Council in February 2022.

## OPTIONS CONSIDERED

49. A range of scenarios have been produced for the variable elements included in the MTFs, savings options will be developed as part of the budget setting process for 2022/23.

## REASONS FOR RECOMMENDED OPTION

50. The report provides an update on the projected MTFs for 2022/23 to 2024/25.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

51. These are detailed in the table below: -

	<b>Outcomes</b>	<b>Implications</b>
	<b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future; <ul style="list-style-type: none"><li>• Better access to good fulfilling work</li></ul>	Council budget therefore impacts on all outcomes

	<b>Outcomes</b>	<b>Implications</b>
	<ul style="list-style-type: none"> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	
	<p><b>Doncaster Living:</b> Our vision is for Doncaster’s people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	

## RISKS AND ASSUMPTIONS

52. A risk assessment of the MTFS has been undertaken in accordance with the Council’s risk management strategy, which helps to minimise risk. The Council’s Strategic Risk Register is reviewed and updated on a quarterly basis and each service has formally documented its key risks and the actions taken to mitigate those risks in service plans. Key risks in relation to the MTFS include: -

- Service Demands/Additional Budget Pressures – risks that service demands continue to increase and there are greater budgetary pressures

than those included in the MTFS. This is a greater risk in current times due to the continued impact of the COVID-19 pandemic. The MTFS contains £4.0m in total for 2023/24 and 2024/25 to allow for unidentified cost pressures.

- Council Tax – an additional risk in relation to balancing the budget is that 1% council tax increase would only generate circa. £1.2m. The Council Tax system continues to be disproportionate across the country, benefitting Councils with larger tax bases. Doncaster has a relatively low council tax base due to a large proportion (87% in 2021/22) of properties being in Bands A to C. Balancing the budget gap with additional Council Tax income is not possible and therefore other solutions are required.
- Delivery of Savings – risks in relation to the delivery of planned savings, which are increasingly more difficult to deliver.
- Monitoring Position – risks that the 2021/22 monitoring position worsens which impacts on the underlying baseline financial position moving into 2022/23.
- Third Parties – risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.
- Price Inflation – risks that inflation increases by more than the estimate built into the MTFS. This is covered in detail in the report.
- Economy – risk that a recession increases the level of default on debt and bad debt provisions have to increase and/or a higher level of debt has to be written off.
- One-off Grant Funding – risks in that expenditure does not reduce or cease in line with the one-off grants decreasing or ending over the next 2 years.
- Spending Review – risks that may materialise as a result of future funding changes i.e. reforms to Business Rates Retention and the Fair Funding Review.
- Business Rates Retention – risk that a Business Rates reset occurs in the next 3 years, which would result in a loss of funding to the council (no assumptions can currently be made about the reset and fair funding review)
- Collection Fund – risks that the income from Council tax and Business rates reduce by more than forecast in the MTFS assumptions.
- Exiting the European Union – risks that may materialise due to exiting the European Union e.g. increases costs.
- Reserves – risks that earmarked and uncommitted reserves are insufficient to support the Council during this period.

The MTFS will continue to be reviewed for the risks identified and fully detailed in the budget report for Cabinet and Council in February 2022.

#### **LEGAL IMPLICATIONS [Officer Initials...SF... Date...19.10.21]**

53. The Council must set a balanced budget ensuring that resources are sufficient to meet its proposed spending plans. The Chief Financial Officer is required to advise the Council of the adequacy of its reserves and the robustness of estimates used in preparing its spending plans.
54. The Council will need to be satisfied that the MTFS set and the subsequent budget will ensure that the Authority is able to discharge its statutory duties.



55. Any proposed changes to services will require specific legal advice prior to implementation.

**FINANCIAL IMPLICATIONS [Officer Initials...RI... Date...19.10.21]**

56. These are contained within the body of the report.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials...MC...Date...26.10.21]**

57. There are no immediate HR implications identified within this report, however where post reductions are identified further advice should be sought regarding the process going forward.

**TECHNOLOGY IMPLICATIONS [Officer Initials...PW... Date...21.10.21]**

58. Technology continues to be an evolving key essential enabler to support the delivery of all services and the key strategic budget themes outlined in this report. Robust and effective ICT governance arrangements will continue to be needed to ensure the delivery of the key priorities. This will be monitored and continuously reviewed via the Council's Technology Governance Board.

**HEALTH IMPLICATIONS [Officer Initials...RS... Date ...19.10.21]**

59. The choices the council makes in both setting and allocating revenue budgets will impact on the health of the population. In general, 20% of what contributes to health is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due to the built environment. The State of the Borough assessment and Doncaster Delivering Together are both informed by health outcomes and use health outcomes to monitor impact. The impact on a set of health outcomes are also incorporated in the council's corporate plan. Within the financial resources available, this paper sets out clearly the broad areas of revenue investment in both universal and targeted services and how within a reduced financial envelope there are plans to maintain the quality of local services. Wherever possible, commissioners and providers of services should seek to maximise social value consider long term social, environmental and economic sustainability and resilience. With sustained long-term cuts in funding, there is likely to be implication on potentially increasing health inequalities. This needs to be considered during the implementation phase so that inequalities and health inequalities are addressed, and monitored. The lack of national guidance on the future of the public health grant from April 2022 places a risk on future public health activity. Where further cabinet reports are required report authors should consider the need for formal health impact assessments or early involvement of the public health team to minimise unintended impacts on health. Health impacts should also be addressed in the due regard statements that are developed alongside these further reports.

**EQUALITY IMPLICATIONS [Officer Initials...MS... Date...19.10.21]**

60. In taking this decision, elected members are reminded of their obligations under section 149 Equality Act 2010. This section contains the Public Sector Equality Duty (PSED) which obliges public authorities, when exercising their functions, to have 'due regard' to the need to: -

- a) Eliminate discrimination, harassment and victimisation and other conduct which the Act prohibits;
- b) advance equality of opportunity between people who share relevant protected characteristics and those who do not; and
- c) foster good relations between people who share relevant protected characteristics and those who do not.

Protected characteristics are age, gender, disability, race, sex, sexual orientation, gender reassignment, religion or belief and pregnancy and maternity. Only the first aim of the PSED set out in paragraph (a) above applies to a further protected characteristic of marriage and civil partnership.

Having due regard to advancing equality involves: -

- removing or minimising disadvantages suffered by people due to their protected characteristic;
- taking steps to meet the needs of people from protected groups where they are different to the needs of other people; and
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

61. Elected members must consciously consider and have due regard to the three aims of the general equality duty when dealing with the recommendations contained within this report. The Council uses a simple due regard process to ensure due regard is considered and to support a transparent, effective process that is accountable to users and residents. Amongst others, the “due regard” will be informed by: -

- **Establishing the key equality issues across Doncaster (Equality Analysis)** – Our Equality, Diversity and Inclusion Framework 2018-2021 has been developed alongside our financial planning process and includes a significant analysis of equality information to identify the key equality issues across Doncaster. We have used the equality information to inform our planning and saving prioritisation process. Our budget proposals seek to limit the impact of budget cuts on the most vulnerable; and
- **Prioritisation and Planning** – Our key strategic budget themes specifically prioritise the needs of the most disadvantaged in our communities.

62. Any new saving proposal will be reviewed with regard to our PSED obligations.

## CONSULTATION

63. This report provides an update on the latest MTFS position, appropriate consultation will be undertaken as part of the budget setting process for the 2022/23 budget, due to be considered in February 2022.

64. This report has significant implications in terms of the following: -

Procurement	X	Crime & Disorder	X
Human Resources	X	Human Rights & Equalities	X
Buildings, Land & Occupiers	X	Environment & Sustainability	X
I.C.T.	X	Capital Programme	X

## BACKGROUND PAPERS

- Council Report – Revenue Budget 2021/22 – 2023/24, 1st March 2021.

<https://doncaster.moderngov.co.uk/documents/s29262/Revenue%20Budget.pdf>

- Cabinet Report – Quarter 1 Finance & Performance Improvement Report, 8th September 2021.

<https://doncaster.moderngov.co.uk/documents/s31559/i%20cab%20080921%20-%2021-22%20Q1%20Finance%20Performance%20Report%20-%20Cabinet.pdf>

- Council Report – Doncaster Delivering Together, 23<sup>rd</sup> September 2021.  
[Agenda for Council on Thursday, 23rd September, 2021, 6.00 pm - Modern Council \(moderngov.co.uk\)](#)

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