

**FINANCIAL AND CONSTITUTIONAL IMPLICATIONS OF THE LABOUR GROUP'S AMENDMENT - COMMENTS OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT AND THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND EMPLOYEES**

**1 Purpose**

- 1.1 The purpose of this report is to set out the financial and constitutional implications of the Labour Group's Budget Amendment and provide an opinion on whether it meets the funding requirements contained in the Local Government Finance Act 1992, the Local Government Act 2003, the CIPFA Prudential Code for Capital Finance, and is in accordance with the legal requirements and the Council's constitution.

**2 Financial Implications**

- 2.1 The impact of the Amendment is to increase the budgets across Portfolio budgets in 2020/21 by a total of £4.6 million as summarised below:

<b>Committee Analysis</b>	<b>£000</b>
Adult Social Care & Health	3,800
Children & Young People	800
<b>Total Adjustments to Portfolio Budgets</b>	<b>4,600</b>

- 2.2 It is proposed that this increase will be funded from a reduction in the contingency budget in 2020/21 of £2m and a reduction in the contribution to reserves of £2.6m.

**3 Commentary on the Proposals**

- 3.1 The increase in Committee revenue budgets will be partly funded by a reduction in the contingency budget of £2m. The reduced contribution to reserves in 20/21 is offset by a proposed increase in 2022/23. Although this increases the risk within the 2020/21 budget, there are sufficient reserves to counter this risk in the year.
- 3.2 The shortfall on the MTFs over the three years 2021/22 – 2023/24 will increase to £31.1m.

**4 Conclusion**

- 4.1 In the opinion of the Service Director – Finance, Infrastructure and Improvement, this Amendment meets the requirements of the Local Government Finance Act 1992, the Local Government Act 2003 and the CIPFA Prudential Code.
- 4.2 In the opinion of the Service Director – Customers, Governance and Employees, the proposals contained in the Labour Group’s Amendment are in accordance with the law and the County Council’s Constitution.

**NIGEL STEVENSON**

**SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT**

**MARJORIE TOWARD**

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