



## **EXECUTIVE SCRUTINY BOARD**

**19<sup>th</sup> January 2021**

# **ITEM 4**

Report sponsor: Simon Riley, Strategic Director of Corporate Resources  
Report author: Simon Riley, Strategic Director of Corporate Resources

## **Budget Proposals 2021/22**

### **Purpose**

- 1.1 Council Cabinet published budget proposals for 2021/22 on Wednesday 16<sup>th</sup> December as part of a report on the 'Medium Term Financial Plan 2021/22-2023/24 Update'. Public consultation runs from 17<sup>th</sup> December 2020 to 17<sup>th</sup> January 2021.
- 1.2 The Medium-Term Financial Plan (MTFP) assumes delivery of £9.609m of budget savings and additional income in 2021/22, and an increase in Council Tax of 4.49% (this includes 2.5% specifically for social care).
- 1.3 The MTFP incorporates £22.287m of pressures in 2021/22, to address demand and cost pressures and to invest in Council priorities.
- 1.4 Scrutiny of the MTFP, and specifically the pressures and savings proposals included within it, is an integral part of the Boards functions. The Board will then make any appropriate recommendations to Council Cabinet.

### **Recommendations**

- 2.1 To consider and comment on the budget proposals.
- 2.2 To make any appropriate recommendations to Council Cabinet for inclusion in the budget setting report, due to be considered by Council Cabinet on 10<sup>th</sup> February 2021 and subsequently by Council on 24<sup>th</sup> February 2021.

### **Reason**

- 3.1 To provide scrutiny members with an opportunity to scrutinise the budget proposals and strategy as part of the consultation process.

### **Supporting information**

- 4.1 The MTFP Cabinet report detailed in Appendix 1 provides an overview of proposals to balance the council's revenue budget for 2021/22 – 2023/24, and the proposed Capital Programme for the same period.

- 4.2 The budget issued for consultation in December was issued before the publication of the draft local government finance settlement. Based on announcements to date following the draft finance settlement, the Council has received £20K more funding than in the MTFP.

The Government only announced a one -year spending review in November. As such, there is uncertainty over future funding levels and the Council currently is identifying budget gaps in year 2 and 3 of the MTFP if some of the one-off funding identified for 2021/22 is not built into Government funding going forward going forward.

In addition, changes in the Local Government finance framework (fair funding and business rate retention) have been postponed until at least 2022/23.

- 4.3 Budget Scrutiny should focus on:

- public value and demonstrating a good use of resources
- the impact of proposed budget changes on service delivery and cross cutting outcomes
- the impact of the pandemic on the Council's budget and future financial sustainability
- high risk and high cost areas of spend
- how long-term trends, demand pressures and challenges define the council's financial strategy

- 4.4 The budget proposals may also change as a result of the consultation process.

## **Public/stakeholder engagement**

- 5.1 The annual Budget Scrutiny meeting ensures Scrutiny is provided with a formal opportunity to contribute to the budget consultation process.

## **Other options**

- 6.1 While alternative approaches have been considered, Council Cabinet are recommending proposals they consider to be deliverable and provide a financially balanced position.

## **Financial and value for money issues**

- 7.1 The Council is legally required to set a balanced budget for the next financial year, by 11<sup>th</sup> March 2021. Following the period of consultation, Council Cabinet will recommend a budget to Full Council on 24<sup>th</sup> February 2021.
- 7.2 This report presents a balanced budget for 2021/22. There are currently budget gaps for 2022/23 and 2023/24.

## Legal implications

- 8.1 Part 4 of the Council's Constitution (Rules of Procedure) set out a series of Budget and Policy Framework Procedure Rules which require the Council Cabinet's initial budget proposals to be referred to the relevant overview and scrutiny board for further consideration and, if appropriate, recommendations.
- 8.2 Any recommendations arising from this report will be assessed for their legality on an individual basis.

## Climate Implications

- 9.1 None arising directly from this report.

## Other significant implications

- 10.1 The new savings proposals for 2020/21, include a potential reduction in staffing. These numbers have already been partially mitigated prior to the employee and union consultation on these proposals.
- 10.2 Equality Impact Assessments (where appropriate) have been prepared for the savings proposals. These will be updated following the completion of the consultation period.
- 10.3 Further implications in relation to risk management, health and safety, and, environmental sustainability will be considered on a case by case basis as part of the overall budget process.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance	Simon Riley – Strategic Director of Corporate Resources	08/01/2021
Service Director(s)	Simon Riley – Strategic Director of Corporate Resources	08/01/2021
Report sponsor	Simon Riley – Strategic Director of Corporate Resources	08/01/2021
Other(s)		

Background papers:	None
List of appendices:	Appendix 1 – Report considered by Council Cabinet on 16 December 2020 (Medium Term Financial Plan 2021/22 – 2023/24 – Update)