

BUDGET TARGETS 2019/20

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| Head of Service/Contact: | Lee Duffy, Chief Finance Officer |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| Annexes/Appendices (attached): | None |
| Other available papers (not attached): | Budget Targets Report to Strategy & Resources Committee 25 September 2018 Report to Environment Committee 10 October 2017 Budget Book 2018/19 Medium Term Financial Plan Corporate Plan |

Report summary

This report informs the Committee of the Council's revenue budget targets presented to the Strategy & Resources Committee. The report seeks support for changes to services and any further guidance on the preparation of the Committee's service estimates for 2019/20.

Recommendation (s)

That the Committee:

- (1) Notes the implications of the budget targets presented to the Strategy & Resources Committee.**
- (2) Notes the operational savings and efficiencies identified in section 3.3 of this report and that these are included within the budget presented to this Committee in January 2019.**
- (3) Considers how additional savings can be generated to address the Council wide funding gap of £113,000 in 2019/20.**

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1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Medium Term Financial Strategy and Efficiency Plan aim to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.

2 Background

- 2.1 At its meeting on 25 September 2018, the Strategy & Resources Committee considered the following General Fund budget targets:
 - 2.1.1 That estimates are prepared, including options to reduce organisational costs by £406,000 subject to government grant announcement, in order to minimise the use of working balances and maintain a minimum working balance of £2.5 million in accordance with the Medium Term Financial Strategy.
 - 2.1.2 That at least £200,000 additional revenue is generated from an increase in discretionary fees and charges.
 - 2.1.3 That a provision for pay award is made of £280,000, representing an increase to the staffing budget of 2.5%.
 - 2.1.4 That further savings and efficiencies be identified to address the budget shortfall of £113,000 in 2019/20.
 - 2.1.5 That £200,000 from the financial gain of being part of the pilot for business rates is used to mitigate the potential payment of £625,000 to government for "negative revenue support grant".

3 Proposals

- 3.1 The budget targets outlined above, totalling £406,000, include operational and efficiency savings across the organisation.
- 3.2 The delivery of these savings will assist the Council in being able to deliver its services in a sustainable way in the future with no reliance on the Council's limited working balances.
- 3.3 Of the £406,000 targeted savings across the Council, £94,000 relate operational savings and efficiencies identified by Heads of Services within this Committee to be delivered in 2019/20

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- 3.4 Subject to the savings identified in paragraph 3.3 and the discretionary fees and charges increases required from paragraph 2.3, this still leaves the Council with a budget deficit of £113,000 as reported to Strategy & Resources Committee on 25 September 2018.
- 3.5 It is proposed that officers undertake reviews throughout the year and during the budget setting process to help deliver a balanced budget for 2019/20.

4 Financial and Manpower Implications

- 4.1 The financial outlook for 2019/20 and four year plan was detailed in the Budget Targets Report to Strategy & Resources Committee on 25 September 2018.
- 4.2 The 2019/20 budget figures will change throughout the budget setting process as managers and accountants review budgets and trends.
- 4.3 **Chief Finance Officer's comments:** All budget proposals set out in this report are incorporated in the Council's Medium Term Financial Plan.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 The Council will continue to fulfil its statutory obligations on all services provided.
- 5.2 **Monitoring Officer's comments:** The legal issues have been identified within the body of the report.

6 Sustainability Policy and Community Safety Implications

- 6.1 Any implications will be addressed in the review of service budgets.

7 Partnerships

- 7.1 Partnership issues will be identified in the preparation of service budgets.

8 Risk Assessment

- 8.1 Risks will be assessed in the budget review process.

9 Conclusion and Recommendations

- 9.1 The current budget strategy involves continuing to deliver efficiency savings and generate extra service income whilst reviewing service levels, so that service costs can be reduced as needed to achieve a balanced budget year on year.

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- 9.2 This report identifies the budget targets for this Committee. It also provides an opportunity for the Committee to give guidance on the preparation of the service estimates and savings options for 2019/20.
- 9.3 The Committee will receive service estimates on 29 January 2019.

Ward(s) affected: (All Wards);