

## **BUDGET TARGETS 2020/21**

<b>Head of Service/Contact:</b>	Lee Duffy, Chief Finance Officer
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Annexes/Appendices (attached):</b>	None
<b>Other available papers (not attached):</b>	Budget Targets Report to Strategy & Resources Committee 24 September 2019 Budget Book 2019/20 Medium Term Financial Strategy 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 guidance on the preparation of the Committee's service estimates for 2020/21.**

### **Recommendation (s)**

**That the Committee:**

- (1) Notes the implications of the budget targets presented to the Strategy & Resources Committee.**
- (2) Considers how savings can be generated to address the Council wide funding gap of £544,000 in 2020/21.**

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

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

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### 2 Background

- 2.1 At its meeting on 24 September, the Strategy & Resources Committee will consider the following General Fund budget targets for 2020/21;
- That estimates are prepared, including options to reduce organisational costs by £544,000 in 2020/21 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.
  - That at least £290,000 additional revenue is generated from an increase in discretionary fees and charges, based on a minimum overall increase in yield of 3.0%, with the exception of car parking which is set at 6.0% as these charges are adjusted every two years;.
  - That a provision for pay award is made of £400,000, that allows for a 2% cost of living increase
  - That further savings are identified for inclusion within the new Medium Term Financial Strategy for 2020-2024 to reduce the Council's net operating costs by a minimum of £1,825,000 over the period 2020/21 to 2023/24.

### 3 Proposals

- 3.1 The budget targets for 2020/21 outlined above, totalling £544,000, 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 Should the savings targets of £544,000 for 2020/21 and £1.825m over the four-year period to 2023/24 require changes to services delivered by this Committee, the proposed changes will be brought back to this Committee for approval.
- 3.4 It is proposed that officers undertake reviews throughout the year and during the budget setting process to help deliver a balanced budget for 2020/21.

### 4 Financial and Manpower Implications

- 4.1 The financial outlook for 2020/21 and new four year Medium Term Financial Strategy are detailed in the Budget Targets Report to Strategy & Resources Committee (24 September).
- 4.2 The 2020/21 budget figures will change throughout the budget setting process as managers and accountants review budgets and trends.

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- 4.3 **Chief Finance Officer's comments:** All budget proposals set out in this report are incorporated in the Council's proposed Medium Term Financial Strategy.

### 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.
- 9.2 This report identifies the budget targets for the Council. It also provides an opportunity for the Committee to give guidance on the preparation of the service estimates and savings options for 2020/21.
- 9.3 The Committee will receive service estimates in January 2020.

Ward(s) Affected: (All Wards);