

2021/22 BUDGET TARGETS AND FINANCE UPDATE

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1: Minutes of Financial Policy Panel dated 08 September 2020 Appendix 2: - Report to Financial Policy Panel dated 08 September 2020

Summary

This report recommends budget targets for 2020/21 and provides an update on financial planning as recommended by Financial Policy Panel.

Recommendation (s)

The Committee is asked to:

- 1. Note the recommendations of Financial Policy Panel held on 08 September 2020.**
- 2. Agree the following overall budget targets for 2021/22:-**
 - i. That estimates be prepared including the delivery of savings already identified in the Financial Plan for 2021/22 totalling £336,000.**
 - ii. That estimates include options to reduce organisational costs by £1,290,000 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.**
 - iii. That at least £210,000 additional revenue is generated from an increase in discretionary fees and charges;**
 - iv. That a provision for pay award is made of £408,000 that would allow for a 2% cost of living increase;**

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- v. That a **£950,000** contingency is provided for within the 2021/22 budget to mitigate the potential impact of Covid-19 on the Council's finances in 2021/22.
 - vi. That officers are tasked in delivering a list of costed options that can be implemented to address any budget shortfall for 2021/22.
- 3. Agrees the budget reporting timetable as set out in section 10 of the report to Financial Policy Panel (Appendix 2).**
- 4. Agrees that 2020/21's projected deficit be funded as set-out at paragraph 6.7 of the report to Financial Policy Panel (Appendix 2).**

1 Reason for Recommendations

- 1.1 The recommendations will provide a clear framework for officers to develop a balanced budget for 2021/22. The Strategy and Resources Committee has agreed one of its key service priorities for 2021/22 is to achieve financial stability for the Council.

2 Background

- 2.1 At its meeting on 08 September 2020, Financial Policy Panel received detailed financial analysis of the Council's budget position, including updated forecasts for the next ten years, in the Budget Targets report attached at Appendix 2.
- 2.2 Having considered the report, the Panel advises Strategy and Resources Committee to agree the recommendations of this report.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

- 3.1.1 Risks and legal duties are set-out in the report to Financial Policy Panel at Appendix 2.

3.2 Crime & Disorder

- 3.2.1 None.

3.3 Safeguarding

- 3.3.1 None.

3.4 Dependencies

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3.4.1 None.

3.5 Other

3.5.1 None.

4 Financial Implications

4.1 Financial implications are set-out in the report to Financial Policy Panel at Appendix 2.

4.2 **Section 151 Officer's comments:** It is important that the budget target recommendations be agreed in order to maintain the future financial health of the Council.

5 Legal Implications

5.1 Legal implications are set-out in the report to Financial Policy Panel at Appendix 2.

5.2 **Monitoring Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** None.

6.4 **Sustainability Policy & Community Safety Implications:** None.

6.5 **Partnerships:** None.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Budget Targets 2021/22 report to Financial Policy Panel dated 08 September 2020

Other papers:

- Budget Book 2020/21
- Medium Term Financial Strategy 2020-2024