

BUDGET TARGETS REPORT

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):	None

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 2022/23.

Recommendation (s)

The Committee is asked to:

- (1) Note the implications of the budget targets presented to Strategy & Resources Committee on 21 September 2021.**
- (2) Support the changes to services and savings identified in section 3 of this report and that these are included within the budget presented to this Committee in January 2022.**
- (3) Note that any additional new growth items supported by this Committee will need to be fully funded from existing budgets.**

1 Reason for Recommendation

- 1.1 The recommendations will provide a clear framework for officers to develop a balanced budget for 2022/23. Strategy and Resources Committee has agreed one of its key priorities for 2022/23 is to achieve financial stability for the Council.

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2 Background

- 2.1 On 21 September 2021, Strategy & Resources Committee will consider budget targets that would enable the Council to set a balanced budget for 2022/23. The budget targets include:
- 2.1.1 Excluding any new growth in expenditure, a level of savings of £1.6 million is needed to achieve a balanced budget over the next four year financial planning period.
 - 2.1.2 That estimates be prepared including the delivery of savings already identified in the Financial Plan for 2022/23 totalling £342,000.
 - 2.1.3 That at least £210,000 additional revenue is generated from an increase of 3% on discretionary fees and charges.
 - 2.1.4 That a provision for pay award is made of £416,000 that would allow for a 2% cost of living increase.
 - 2.1.5 That any additional new growth items supported by Policy Committees will need to be fully funded from existing budgets.

3 Proposals

- 3.1 The Council is facing a great deal of uncertainty, and it is unlikely to have sufficient information to reliably predict the long-term impact of Covid-19 on Council services before the end of 2021/22. The Government's expected delay to the Fair Funding Review provides the Council with an opportunity to agree a budget for 2022/23 without the need for delivering any additional savings other than those already agreed within the current Financial Plan (which total £342k).
- 3.2 Delivery of these existing savings will be required for a balanced budget to be achieved for 2022/23. Of the £342,000 total savings, the table below shows the savings previously agreed by this Committee.

Summary of Agreed Savings for 2022/23	£000
Bourne Hall	30
Review of Ewell Court House	10
**Tattenham Corner Conveniences	12
Other minor savings	4
Total	56

** Subject to the approval of Conservators.

- 3.3 Furthermore, with the Council facing a projected budget deficit of £1.6m by 2025/26, Policy Committees must determine how any additional new growth items they may support will need be fully funded from existing budgets.

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4 Risk Assessment

Legal or other duties

4.1 Impact Assessment

4.1.1 Financial risk assessments will be completed with service estimates for this Committee in January 2022 and for Council in February 2022.

4.2 Crime & Disorder

4.2.1 None

4.3 Safeguarding

4.3.1 None

4.4 Dependencies

4.4.1 None

4.5 Other

4.5.1 None

5 Financial Implications

5.1 Financial implications are set out in the body of this report.

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

6 Legal Implications

6.1 The Council has a statutory responsibility to set a balanced budget each year.

6.2 **Legal Officer's comments:** None for the purposes of this report.

7 Policies, Plans & Partnerships

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

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

7.3 **Climate & Environmental Impact of recommendations:** None

7.4 **Sustainability Policy & Community Safety Implications:** None

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7.5 **Partnerships:** None

8 **Background papers**

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

Previous reports:

- Budget Targets Report to Financial Policy Panel 7 September 2021.
- Budget Targets Report to S&R Committee on 21 September 2021.

Other papers:

- Budget Book 2021/22
- Medium Term Financial Strategy 2020 to 2024