
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 14 DECEMBER 2020

BUDGET PROCESS 2021/22

EX.141/20 BUDGET UPDATE - REVENUE ESTIMATES 2021/22 TO 2025/26 (Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

Pursuant to Minute EX.122/20, the Deputy Leader submitted report RD.42/20 providing an update to the Corporate Director of Finance and Resources' report to the Executive of 9 November 2020 (RD.32/20).

Summarised within the report were the revised revenue base estimates for 2020/21, together with the base estimates for 2021/22 and forecasts up to 2025/26 for illustrative purposes.

The report drew Members' awareness to the fact that a number of significant factors affecting the budget were currently unresolved. In particular, the following were key to the budget process and details thereon would be considered as the budget progressed.

- Ongoing impact of COVID-19
- Local Government Finance Settlement – announcement due by December 2020
- Further expected changes in government grant e.g. New Homes Bonus, Housing Benefit Administration Grant
- Future borrowing requirements
- Commercial and investment opportunities

Set out at Section 3 was an overview of the outstanding key issues and resource assumptions, with details of the potential new spending pressures/bids that needed to be considered also provided at Section 4.

In terms of savings and additional income proposals, the report recorded that the current MTFP included a recurring savings requirement to be found by 2021/22 of £1 million rising to £1.850 million in 2023/24. That additional saving requirement would increase the savings needed for 2021/22 to £1.2 million and the total savings required being £2.050 million by 2023/24. Savings would need to be identified by a combination of reviewing the items listed at paragraph 5.6. The Council's current levels of balances set out at Appendix A included any impact of the proposed pressures and savings outlined in the report. The Projects Reserve would be used as a first call for any projected revenue budget deficit however, maintaining the current level of reserves was dependent upon the achievement of the transformation savings. A risk-based review of reserve levels had been undertaken and showed that the minimum level of General Fund Reserves should

remain at £3.1million due to uncertainties around future funding from Business Rates; however that would be reviewed during the budget process.

The Deputy Leader then moved the recommendations, which were seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

- (i) Noted the revised base estimates for 2020/21 and base estimates for 2021/22;
- (ii) Noted that the estimates in the report were draft and would be subject to the confirmation of Local Government Finance Settlement in December 2020;
- (iii) Noted the current MTFP projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken;
- (iv) Noted the budget pressures, bids and savings which needed to be taken into account as part of the 2021/22 budget process;
- (v) Noted the Statutory Report of the S.151 Officer outlining the risks associated with the draft budget figures and that minimum reserves may need to be reviewed in the future depending upon the outcome of the Local Government Finance review.

Reasons for Decision To ensure that a balanced budget is set.

EX.142/20 REVISED CAPITAL PROGRAMME 2020/21 AND PROVISIONAL CAPITAL PROGRAMME 2021/22 TO 2025/26
(Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

Pursuant to Minute EX.127/20, the Deputy Leader submitted report RD.43/20 which provided an update to the Corporate Director of Finance and Resources' report to the Executive of 9 November 2020 (RD.32/20).

The report set out the proposed capital programme for 2021/22 to 2025/26 in the light of new capital proposals identified and summarised the estimated capital resources available to fund the programme.

The resources available to support the capital programme could only be estimated during the year. The final position was dependent, in particular, on how successful the Council had been in achieving Capital Receipts from the sale of assets against its target.

The cost of externally borrowing £1m to fund the capital programme would result in a charge to the revenue account in the next full year of approximately £47,000. That was made up of £17,000 for the cost of the interest payable (1.7% of £1m equated to £17,000) and a principal repayment provision of 3% of the outstanding sum (3% of £1m equated to £30,000).

The revised capital programme for 2020/21 (Appendix A) now totalled £19,390,400. The revised anticipated resources available and their use to fund the capital programme were depicted at Appendix B.

The Deputy Leader then moved the recommendations, which were seconded by the Leader.

Summary of options rejected None

DECISION

That the Executive:

- (i) Noted the revised capital programme and relevant financing for 2020/21 as set out in Appendices A and B of Report RD.43/20, for recommendation to Council;
- (ii) Had given initial consideration and views on the proposed capital spending for 2021/22 to 2025/26 given in the report in the light of the estimated available resources, for recommendation to Council;
- (iii) Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.

Reasons for Decision To ensure that a balanced budget is set

EX.143/20 DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT, INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION STRATEGY 2021/22
(Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

Pursuant to Minute EX.129/20, the Deputy Leader submitted report RD.44/20 setting out the Council's draft Treasury Management Strategy Statement for 2021/22 in accordance with the CIPFA Code of Practice on Treasury Management. The Investment Strategy and the Minimum Revenue Provision Strategy for 2020/21 were incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The report would be considered by the Audit Committee; and the Business and Transformation Scrutiny Panel on 18 December 2020 and 7 January 2021 respectively.

The Deputy Leader moved the recommendation set out within the report and the Leader seconded the recommendation.

Summary of options rejected None

DECISION

That the Executive noted the draft Treasury Management Strategy Statement for 2021/22, which incorporated the Investment Strategy and the Minimum Revenue Provision (MRP) Strategy, together with the Prudential Indicators for 2021/22 as set out in Appendix A and the Treasury Management Policy Statement as set out at Appendix D to Report RD.44/20; and sought comments from the Business and Transformation Scrutiny Panel in January 2021.

Reasons for Decision

To ensure the Council's investments are in line with the appropriate policies including the Treasury Management Strategy Statement

EX.144/20 REVIEW OF CHARGES 2021/22 (Key Decision – KD.25/20)

Portfolio Cross-cutting

Relevant Scrutiny Panel Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

Pursuant to Minutes EX.123/20, EX.124/20, EX.125/20 and EX.126/20, further consideration was given to the Charges Reviews in respect of charges falling within the responsibility of the Community Services; Economic Development; Governance and Regulatory Services Directorates; and the Licensing Section.

Extracts from the Minutes of the meetings of the Health and Wellbeing Scrutiny Panel on 19 November 2020 (HWSP.67/20); Economic Growth Scrutiny Panel on 26 November 2020 (EGSP.59/20); and Business and Transformation Scrutiny Panel on 1 December 2020 (BTSP.73/20) in respect of the proposed charges were submitted.

Executive Members were asked to refer to the Charges Review Reports contained within the Budget Book – CS.30/20 and Addendum; ED.28/20 and GD.54/20.

Also provided was Report GD.48/20 (Amended) setting out the proposed fees and charges for areas falling within the responsibility of the Governance and Regulatory Services Directorate; and including an amendment relative to the discount to senior citizens for the charge for domestic rat and mice treatments.

The Deputy Leader, in moving the recommendations, outlined a proposed amendment to the Community Services Charges report (CS.30/20) in respect of car parking charges at Talkin Tarn. The Deputy Leader had considered the representations made by the Brampton Ward Councillors and asked the Executive to agree that there would be no increase to the price of car parking permits at Talkin Tarn for 2021/22.

The Leader seconded the recommendation.

Summary of options rejected a number of alternative charges as detailed in the above reports

DECISION

1. That the fees and charges for 2021/22 relating to those services falling within the responsibility of the Community Services Directorate including a freeze to the price of the car parking permits for Talkin Tarn for 2021/22, as set out in Report CS.30/20, the Addendum and relevant Appendices, be approved with effect from 1 April 2021.
2. That the fees and charges for 2021/22 relating to those services falling within the responsibility of the Economic Development Directorate, set out in Report ED.38/20 and accompanying Appendices, be approved with effect from 1 April 2021.
3. That the fees and charges for 2021/22 relating to the areas falling within the responsibility of the Governance and Regulatory Services Directorate, as detailed and set out in Report GD.48/20 (amended) and accompanying Appendices, be approved with effect from 1 April 2021.
4. That the Executive noted the Licensing Charges which had been approved by the Regulatory Panel on 14 October 2020; and approved the fees under the Scrap Metal Dealers Act 2013 with effect from 1 April 2021.

Reasons for Decision

The proposed charges and options reflected the Corporate Charging Policy as set out in the Medium Term Financial Plan, whilst attempting to recognise service pressures and trends

EX.145/20 EXECUTIVE RESPONSE ON THE 2021/22 BUDGET (Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader reported that the Executive was issuing their 2021/22 Budget Proposals for consultation, copies of which were circulated.

The Deputy Leader commented that the Executive understood the impact that Covid-19 had on households and businesses and had kept the proposed increases to the Council Tax to a minimum.

Over the next four weeks, the Executive would be consulting on its budget proposals with businesses, trade union representatives and its residents. The deadline for comments was 9.00 am on 11 January 2021. The Executive would respond to consultees' feedback at its meeting on 13 January 2021.

The Deputy Leader concluded by moving the recommendation that the Executive's draft Budget proposals be agreed and circulated for consultation; the Leader seconded the recommendation.

Summary of options rejected a number of options which had been considered as part of the Council's 2021/22 budget deliberations as identified in various reports

DECISION

That the Executive's draft Budget proposals, as circulated at the meeting and appended to these Minutes as Appendix A, be agreed and circulated for consultation.

Reasons for Decision To produce the draft Budget proposals for consultation purposes