

**CABINET
17 DECEMBER 2019**

PART 1 – PUBLIC DOCUMENT

ITEM 6b

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE:
5 DECEMBER 2019 – DRAFT BUDGET 2020/21**

Extract from Draft Minutes – Please note that the Finance, Audit and Risk Committee supported the recommendations in the report and made no additional recommendations

49. DRAFT BUDGET 2020/21

The Service Director – Resources presented the report entitled Draft Budget 2020/21 and drew Members' attention to the following:

- The General and specific funding at Paragraphs 8.1 to 8.3 of the report;
- The current assumptions at Paragraphs 8.1 and 8.2;
- The forecasts for funding for 2020/21 onwards at Paragraph 8.3 including Table 1 – Estimated general funding;
- Significant uncertainties were not restricted to just 2021/22, but are ongoing
- The MTFS had highlighted a need to make £900k net savings over a four year period;
- There are a series of investments as well as savings which resulted in a net increase in spend;
- Paragraph 8.16 advised that the Capital Programme, with the exception of property investment acquisitions, could be afforded without the need to borrow, however the timing of capital receipts was critical and may require short term borrowing.
- As a result it is forecast that savings of £1.1m per year will need to be delivered by 2023/24. Paragraph 8.25 details the actions that would be required to address this.
- Pension Valuation reports for three years had been received since production of the report. The percentage contribution had not changed however the lump sum contribution was £1 million, which would increase by inflation over the next three years. This would increase the funding gap by a further £84,000.

The following Members asked questions and took part in the debate:

- Councillor Michael Weeks.

RESOLVED:

- (1) That the report entitled Draft Budget 2020/21 be noted.

RECOMMENDED TO CABINET:

- (1) That the funding forecasts for 2020/21 onwards, and that (especially significant for 2021/22) these will be subject to change be noted;
- (2) That the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the draft budget be noted;
- (3) That comments made at the budget workshops, and comment on the inclusion of the capital investments in the draft budget be noted;
- (4) That the risk in relation to the timing of capital receipts and that this might result in a need to borrow for capital purposes, which would result in additional revenue costs to those already reflected be noted;
- (5) That Council Tax increases for 2020/21 will be in line with the Medium Term Financial Strategy be confirmed; and
- (6) That the funding surplus in 2020/21 be transferred to a funding equalisation reserve be approved.

REASONS FOR RECOMMENDATIONS:

- (1) To ensure that all relevant factors are taken in to consideration when arriving at a proposed budget for 2020/21, to be considered by Full Council on 6 February 2020;
- (2) To ensure that the medium term impacts of decisions are considered, and how a balanced budget will be set for future years.

(To be taken with Item 9)