

**CABINET  
28 JANUARY 2020**

**PART 1 – PUBLIC DOCUMENT**

**6f ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 20 JANUARY 2020 – REVENUE BUDGET REPORT 2020/21**

The Service Director – Resources presented the report entitled Revenue Budget Report 2020/21 together with the following appendices:

- Appendix A - Financial Risks;
- Appendix B - Revenue Budget Savings;
- Appendix C - Budget Summary 2020-24.

The Service Director Resources drew attention to the following:

- This version of the budget would be referred to Cabinet and, subject to any amendments, be referred to Council in February 2020;
- Council would then use this to set a budget for next year and, as a result would set the Council Tax for the District Council for that year;
- Section 8.1 detailed the General Funding;
- Table 1 set out the forecast over a number of years, although there were a number of uncertainties;
- Table 2 detailed the grant funding currently being received;
- Section 8.2 set out the Business Rates and Council Tax Collections Fund;
- Section 8.4 was a review of balances and reserves;
- Image 5 showed indicators of financial stress;
- Section 8.6 set out expenditure forecasts;
- The amount expected from recycling of paper collected from residents was significantly lower than the current contract due to market forces;
- Approximately £1.2 million savings would be required;
- Section 8.7 set out revenue effects on capital;
- The Property Acquisition Strategy would require significant investment and therefore some borrowing, but this had not been factored into the budget either for expenditure, interest or potential income;
- Section 8.8 set out reliability of estimates.
- There was a need to increase Council Tax in order to cover estimated expenditure in this and future years.

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

- Councillor Michael Weeks;
- Councillor Steve Jarvis;
- Councillor Sam North.

The Service Director – Resources advised:

- It was prudent to make provision for any purchases that the Council may make;
- It was better to prepare for potentially difficult circumstances;
- Balances could be use to balance the budget over a short term.

Members agreed that the details in Paragraph 8.9, in particular the amount of savings required (£1.2million) be emphasised to Cabinet

***RECOMMENDED TO CABINET:***

- (1) That Cabinet's attention be drawn to Paragraph 8.9 of the report and that the amount of savings required (1.2 million) be emphasised;
- (2) That the decrease in the 2019/20 working budget of £200k, as detailed in table 6, be approved; and
- (3) That the carry-forward of £88k of budget in to 2020/21, as detailed in table 6, be approved.

That Cabinet recommend to Council:

- (1) That the transfer from reserves to the General Fund as detailed in 8.4.3 to 8.4.4 be approved;
- (2) That the forecast savings target for future years and the approach to balancing the budget, as detailed in paragraph 8.9.4, be noted;
- (3) That the Collection Fund and how it will be funded be noted;
- (4) That the position relating to the General Fund and that due to the risks identified a minimum balance of £2.45 million is recommended, be noted;
- (5) That the savings and investments as detailed in Appendix B be approved;
- (6) That a net expenditure of £14.974m, as detailed in Appendix C, be approved; and
- (7) That a Council Tax increase of £5 for 2020/21 for a band D property, with other increases pro-rata to this, be approved.

***REASONS FOR DECISIONS:***

- (1) To ensure that all the relevant factors are taken in to consideration when arriving at the proposed Council Tax precept for 2020/21; and
- (2) To ensure that Cabinet recommends a balanced budget to Full Council on 6 February 2020.

**(To be taken with Item 17)**