

Report of the Director of Finance to the meeting of Executive to be held on 16 February 2021

Addendum to DOC "DI"

Subject:

Addendum to the s151 Officer Report on the proposed Council Budget 2021/22

Summary statement:

This report provides an update to the s151 Officer report on the proposed Council Budget 2021/22 following the Labour Group amended budget proposals. The report should be read in conjunction with the 2021/22 Budget Proposals and Forecast Reserves – s151 Officer Assessment (Document "DI") presented earlier.

EQUALITY & DIVERSITY:

Equality assessments –

there are no specific equality objectives arising from this report. Equality Impact Assessments for individual budget proposals have been completed and considered as part of budget considerations and budget consultation processes.

Chris Chapman
Director of Finance & IT

Portfolio:

Leader

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

This report provides a s151 Officer Assessment of the Labour Group amended budget proposals.

2. BACKGROUND

The 2021/22 budget proposal was reported to Executive on 1st December 2020.

A budget update was reported to Executive on 2nd February 2021, providing an update following the Local Government Finance Settlement, and including detailed consultation feedback.

The Council's Revenue Estimates 2021/22, Capital Investment Plan 2021/22 – 2024/25 and Allocation of School Budgets 2021/22 are reported to this Executive (16th February 2021).

These budget proposals have been subject to financial due diligence and my s151 Officer report on this agenda provides a comprehensive assessment of these budget proposals and their robustness and adequacy of reserves.

This report provides commentary on the impact upon my s151 assessment arising from the proposed Labour Group budget amendments.

This report does not seek to replicate the details of my s151 assessment but should be considered as an addendum to that report.

3. OTHER CONSIDERATIONS

The Labour Group proposed budget amendments are:

- Proposed additional recurring investments of £1.2m per annum from 2021/22 to be added into core budget
 - £600,000 investment in Street Cleansing; and
 - £600,000 in ward teams – support for communities
- The removal of the proposed Youth Service saving of £513,000. This saving has already been proposed to be deferred from 2021/22 to 2022/23. This proposal would remove the planned saving in entirety.

4. FINANCIAL & RESOURCE APPRAISAL

The proposals generate an additional financial cost of £1.2m in 2021/22 rising to £1.713m in 2022/23.

My s151 assessment concludes that the additional cost in 2021/22 can be met from reserves, without drawing upon the Unallocated Reserve or General Reserve, which are the specific subject of my s151 report.

The additional budget requirement from 2022/23 will be factored into the Medium Term Financial Strategy.

Due to the uncertainties of future Local Government Finance Settlements, the Fair Funding Review, the Adult Social Care Green paper, the Business Rates Review and other unknown impacts e.g. the levelling up agenda, impact of Brexit, it is not possible to state with certainty the level of any potential budget gap from 2022/23.

My s151 assessment is the additional budgetary impact is not material against the overall council budget, and the Council has evidenced ability to meet challenging budget targets in prior years through efficiencies, savings and income growth. The Council has additionally invested in early help and prevention activity, delivery of transformation in adult social care and has commenced a programme entitled Grip..Reset..Transform which should additionally drive future benefits and savings.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

The budgetary risk is reduced as the 2021/22 budget is not predicated on the achievement of large scale costs.

Financial Governance processes are well established, and the Council has strong credentials in delivering within overall budget levels. These mitigate budget delivery risks.

6. LEGAL APPRAISAL

There are no specific legal issues arising from this report.

A legal appraisal was included within the budget proposals as previously submitted to Executive Committee.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

None specific from this report.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

None specific from this report.

7.3 COMMUNITY SAFETY IMPLICATIONS

None specific from this report.

7.4 HUMAN RIGHTS ACT

None specific from this report.

7.5 TRADE UNION

None specific from this report

7.6 WARD IMPLICATIONS

None specific from this report

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

None specific from this report

7.8 IMPLICATIONS FOR CORPORATE PARENTING

None specific from this report

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None specific from this report

8. NOT FOR PUBLICATION DOCUMENTS

N/A

9. OPTIONS

There are no options within this report.

10. RECOMMENDATIONS

That Members have regard to this report in setting the budget, and in particular note the conclusions that:

- the estimates presented to Council are sufficiently robust
- the reserves are adequate for the 2021/22 proposed budget
- the projected corporate reserves, on current estimates, are adequate in the medium term, subject to the implementation of the rest of the proposed financial plan
- the Medium Term Financial Strategy will be updated and reported to Executive as clarity on future local government funding is received

11. APPENDICES

N/A

12. BACKGROUND DOCUMENTS

- Medium Term Financial Plan and budget updates a reported to Executive
- Budget Monitoring reports as reported to Executive