

# Bath & North East Somerset Council

MEETING:	<b>Corporate Policy Development &amp; Scrutiny Panel</b>
MEETING:	<b>23<sup>rd</sup> November 2020</b>
TITLE:	<b>2021/22 Budget setting update</b>
WARD:	All
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:</b> Appendix 1: Medium Term Financial Strategy 2021/22 - 2025/26 Cabinet Report Appendix 2: Medium Term Financial Strategy and Budget Structure Presentation	

## 1 THE ISSUE

- 1.1 The Medium Term Financial Strategy was considered by the Cabinet at their 8<sup>th</sup> October 2020 meeting. It presents the future years Medium Term Financial Strategy that sets how the Council will need to respond to the budgetary impacts of Covid over the next 5 years.

## 2 RECOMMENDATION

The Panel is asked to;

- 2.1 Note and discuss the Medium Term Financial Strategy.
- 2.2 Note and discuss the 2021/22 Budget presentation and budget engagement themes.

## 3 THE REPORT

- 3.1 The Medium Term Financial Strategy 2021/22 – 2025/26 Cabinet report and supporting detailed appendices are included as the appendices to the paper and for Panel consideration.
- 3.2 The report sets out the Council's current financial position including the impact of Covid on the financial plan and future years budget. The key sections of the report for Corporate Policy Development and Scrutiny to review and discuss are:
- Section 6 – The Drivers of Demand
  - Section 8 – Council tax
  - Section 9 & 10 – The Financial outlook and managing the strategy
  - Section 11 – Corporate Strategy and Council priorities

3.3 Appendix 2 sets out the structure of the Councils revenue budget showing the expected available funding alongside the cost of the Council services by Portfolio for 2021/22. The presentation of the budget in this format is to help show how the Council funding gap is calculated after considering the unavoidable 2021/22 budget growth and pressures arising from Covid.

3.4 We are now developing the content for wider budget engagement that will need to be informed by the 2021/22 provisional settlement from Government to Councils. Whilst we are expecting this detail in December the Council is developing new savings proposals to address the £9.2m funding gap identified in the MTFS.

There are assumptions built into our current projections that will require engagement and consultation these include:

- We will need to make reductions in cost to enable us to live within our means, whilst continuing to deliver frontline services that support residents such as Adult Social Care.
- We will need to increase Council tax to enable the Council to fund inflationary pressures, increases in service demand and ensure a fixed income stream into the Council.
- We will need to think and invest in services differently ensuring capital investment addresses Council priorities.

3.5 During December the Council will be holding three webinars to provide updates on the budget position and to engage on emerging proposals, particularly in the context of delivering the council's agreed Corporate Strategy. The following dates and times have been established for these webinars, and further information will be made available on how to get involved.

- Tuesday 15th December 5.30pm
- Friday 18th December 2pm
- Tuesday 22nd December 12 noon

## **4 STATUTORY CONSIDERATIONS**

4.1 The annual Medium Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities.

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

5.1 These are contained throughout the attached report and appendices.

## **6 RISK MANAGEMENT**

6.1 A risk assessment related to the issue and recommendations will be undertaken, in compliance with the Council's decision making risk management guidance.

## **7 CLIMATE CHANGE**

7.1 This is an information only report about the Council's Medium Term Financial Strategy, it therefore does not include any decisions that have a direct impact on Climate Change.

## **8 OTHER OPTIONS CONSIDERED**

8.1 None

## **9 CONSULTATION**

9.1 The Cabinet Member for Resources and Deputy Leader has been consulted on the drafting of this report as well as the Chief Executive and Monitoring Officer.

<b>Contact person</b>	Andy Rothery, Director of Finance (S151 Officer) (01225 477103)
<b>Background papers</b>	2020/21 Revenue and Capital Budget Setting reports, 2019/20 Revenue and Capital Outturn Report, Quarter 2 Revenue and Capital Budget Monitoring
<b>Please contact the report author if you need to access this report in an alternative format</b>	