

## **Item 7 - Financial Prospects and Budget Strategy 2021/22 and beyond**

The attached report was considered by the Finance & Investment Advisory Committee on 8 September 2020. The relevant Minute extract is below.

### Finance & Investment Advisory Committee (8 September 2020, Minute 65)

The Deputy Chief Executive and Chief Officer Finance & Trading presented the report which was the first report of the Council's budget setting process for 2021/22 onwards. It set out the financial pressures the Council was likely to face in the coming years and suggested an appropriate strategy, utilising the 10-year budget framework which had proved successful to date and put the Council in a much stronger financial position than most other Councils.

Cabinet were being requested at their next meeting to shorten the budget process this year so that the Council's budget was set in November 2020 instead of February 2021, which would enable any changes to be implemented with effect from 1 April 2021 and the period of uncertainty for staff minimised.

The annual budget gap included in the report was £826,000 which was largely due to Covid-19 (£8.3m over the ten-year period). Growth and savings proposals were to be presented to the Advisory Committees and Cabinet, and their recommendations would be considered as part of the process to remove the gap.

The report was intended to start the debate and the assumptions would be updated if more accurate information became available. The main message was that the intention remained that the Council was aiming to continue to be financially self-sufficient and have a balanced 10-year budget but the process would be more challenging this year due to the financial impact of the Covid-19 pandemic.

Members discussed the report and took the opportunity to ask questions of clarity. It was noted that the risks and assumptions report would come to the next committee meeting should Cabinet approve the accelerated budget process at their meeting on 17 September 2020.

It was noted that there had been a communications campaign on Council Tax recovery advising the public to get in touch and that there would shortly be another as it was felt that this had assisted in the higher than anticipated collection rate despite the current situation caused by the pandemic.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That Cabinet be advised that the Finance & Investment Advisory Committee

- a) supported the continuation of the ten-year financial planning approach;
- b) supported the accelerated budget process in preparation of the financial year;
- c) recognised the significant risk and uncertainties associated with many aspects of the budget and that Cabinet should be cogniscent of that; and
- d) recognised one of those uncertainties was over the Council Tax collection rate which the Committee would continue to monitor over the coming months.