

RISKS AND ASSUMPTIONS FOR BUDGET 2020/21

Finance and Investment Advisory Committee - 23 January 2020

Report of Chief Officer Finance and Trading

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources.

Portfolio Holder Cllr. Matthew Dickins

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Recommendation to Finance and Investment Advisory Committee: Members views are requested on the risks and assumptions included in the attached appendices.

Introduction and Background

- 1 The reports presented to Cabinet as part of the 2020/21 Budget Setting Process have provided information on the key assumptions and risks included within the draft budget proposals. This risk assessment report provides more detail on these assumptions and risks.
- 2 The risk assessment is included for Members consideration (Appendix A). The 10-year budget as presented to Cabinet on 9 January 2020 is also attached for information. (Appendix B).

Key Financial Assumptions

- 3 The financial assumptions included in the 10-year budget as at 9 January are as follows:
 - Government Support: - no Revenue Support Grant or New Homes Bonus in 2020/21.
 - Council Tax: 2% all years.
 - Business Rates Retention safety-net in 2019/20 plus 2% in later years.
 - Interest Receipts: £250,000 in all years.
 - Pay Costs: 2.0% in all years.

- Non-pay costs: 2.25% in all years.
- Income: 2.5% in all years except for off-street car parks which are an average of 3.5% from 2019/20 -23/24.

Key Implications

Financial

Under section 151 of the Local Government Act 1972, the Section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

An effective integrated policy and priority driven long-term financial and business process is required for the Council to deliver on its priorities and maintain a sustainable budget. It is also essential that continuous improvements are identified and implemented in order to take account of the changing climate within which the Council operates and to meet the expectations of both Government and the public on the quality of service demanded from this Council.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

The risks associated with the 10-year budget approach include uncertainty around the level of shortfall and the timing of key announcements such as future grant settlements.

The risk will be mitigated by continuing to review assumptions and estimates and by updating Members throughout the process.

Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

Individual equalities assessments have been completed for all Service Change Impact Assessments (SCIAs) to ensure the decision making process is fair and transparent.

Community Impact and Outcomes

A balanced budget that includes the assessment and management of risk provides the Council with the financial stability required to plan and deliver its services to the community.

Conclusions

The financial assumptions are based on the latest available information but Members should be aware that these may change. Any changes will be included in the budget report to Cabinet on 4 February 2020.

Appendices

Appendix A - Risk Factors 2020/21

Appendix B - 10-year Budget

Background Papers:

None

Adrian Rowbotham
Chief Officer Finance and Trading