

Budget Setting Process – 2020/21

Scrutiny Committee

Date: 13th January 2020

Author: Chief Legal Officer

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 The Scrutiny Committee has specific responsibility under its terms of reference, and under the Budget and Policy Framework Procedure Rules, to fulfil the Council's Budget Scrutiny Function. This report is intended to afford members an opportunity to better understand the strategic context and framing for the direction of travel of the organisation to deliver the Vision for Swindon, within the expected financial context, and the particular processes the Council has adopted to ensure it has a balanced budget for 2020/21 and a sustainable financial position moving forward.
- 1.2 Responsible financial management underpins the Council's Vision, Priorities and Pledges by ensuring best use is consistently made of all available resources as well as providing focus for its transformation work. The scrutiny of the budget function is an important element in ensuring the organisation understands the financial context within which it operates and develops plans to remain financially stable that will underpin the Council's ability to achieve its Vision, strategies, plans and priorities, including the corporate objectives.
- 1.3 The report will also afford the Committee an opportunity to receive a current budget position statement from the Cabinet Member for Finance, Education and Skills and the Corporate Director of Finance and Assets.

2. Recommendations

The Committee is recommended to:

- 2.1 Note the budget position update and, in furtherance of the Committee's budget scrutiny function, to put questions to the Cabinet Member for Finance, Education and Skills and the Corporate Director of Finance and Assets on issues relating to:
 - 2.1.1 the financial context within which the budget proposals have been framed, and
 - 2.1.2 the budget and policy framework utilised by the Council in setting its 2020/21 budget.
- 2.2 Consider what it wishes to report to Cabinet as the outcome of its deliberations on the Budget setting process for 2020/21.

Budget Setting Process – 2020/21

Scrutiny Committee

Date: 13th January 2020

3. Detail

2019/20 Budget Management and Budget Strategy up to March 2021

- 3.1 The Cabinet Member for Finance, Education and Skills, Councillor Russell Holland, and the Corporate Director of Finance and Assets (Section 151 Officer), submitted a joint report to the Cabinet meeting on 16th October 2019 setting out a strategic context and framing for the direction of travel of the organisation to deliver the Vision for Swindon, within the expected financial context. The report provided an update on the 2019-20 forecast outturn, and set out the approach for addressing the financial challenges in the period up to March 2021.
- 3.2 A further report, building on the decisions taken by Cabinet on 16th October 2019, and providing an update on the position in relation to the 2019/20 forecast outturn and the work underway to address the financial challenge in the period up to March 2021, was submitted to Cabinet on 4th December 2019.
- 3.3 Following its consideration of that report, Cabinet determined:
 - 3.3.1 That the in-year forecast outturn position for 2019/20 be noted along with the responding management actions that continue to be employed to eliminate the projected yearend overspend.
 - 3.3.2 That the in-year forecast outturn position for 2019/20 be noted along with the responding management actions that continue to be employed to eliminate the projected yearend overspend.
 - 3.3.3 That the proposed budget and policy framework to address the estimated budget gap of £48m over the four year period to March 2024 be noted.
 - 3.3.4 That it be noted that the Local Government Finance Settlement for 2020/21 has yet to be published and therefore the funding position for that year remains uncertain.
 - 3.3.5 That it be noted that the council tax base for 2020/21 will be 75,878.9.
 - 3.3.6 That the Council's approach to promoting tax compliance through its procurement process be noted.
 - 3.3.7 That the virements set out in Appendix 2 to the main report be agreed.
 - 3.3.8 That it be agreed that the Local Council Tax Support (benefits) scheme in 2020/21 be amended in line with the national scheme in that, applicable amounts and non-dependant deductions will be increased and mixed age couples claims, where one of the couple becomes a pensioner, will be processed as a working age couple claim.

Budget Setting Process – 2020/21

Scrutiny Committee

Date: 13th January 2020

- 3.3.9 That it be agreed that the Local Council Tax Support (benefits) scheme in 2020/21 be amended to clarify the intention that households where children become 18 and have benefited from the disabilities protection under the local scheme, continue to be protected and do not have their support limited to 80% of the Council Tax liability.
- 3.3.10 That it be agreed that the Council Tax on unfurnished and unoccupied properties in excess of five years be increased from 200% to 300% with effect from 1st April 2020, in accordance with the Rating and Council Tax Act 2018, to encourage their owners to bring them back into use.
- 3.3.11 That it be agreed that the Council's share of the estimated surplus on the council tax element of the Collection Fund as at 31 March 2020 is £991k.
- 3.4 In accordance with its specific responsibility as set out in the Council's Constitution (Article 6 and the Budget and Policy Framework Procedure Rules refer), Scrutiny Committee is invited to note the budget position update and, in furtherance of the Committee's budget scrutiny function, to put questions to the Cabinet Member for Finance, Education and Skills and the Corporate Director of Finance and Assets, on issues relating to:
 - 3.4.1 the financial context within which the budget proposals have been framed, and
 - 3.4.2 the budget and policy framework utilised by the Council in setting its budget to address the financial challenge in the period up to March 2021.
- 3.5 The Committee is also asked to consider what it wishes to report to Cabinet as the outcome of its deliberations on the Budget setting process.
- 3.6 Copies of the Cabinet reports can be viewed on the Council's website.

4. Alternative Options

- 4.1 There are no specific proposals put forward as it is a matter for the Committee as to how it fulfils the Council's Budget Scrutiny function.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 This report has no direct financial or procurement implications. However, the adoption by the Council of any recommendations arising from members' consideration of the report, might have implications for specific budget proposals and the setting of the budget in the period up to March 2020.

Budget Setting Process – 2020/21

Scrutiny Committee

Date: 13th January 2020

Legal and Human Rights Implications

- 5.2 Legal and human rights implications have been taken into account in preparing this report. It is considered that the recommendations are consistent with Convention Rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no such direct implications.

Diversity Impact Assessment

- 5.4 There are no such direct implications. Any changes to services that do require consultation will have a formal consultation process that shall be reported to Cabinet and Council in February 2020.

Risk Management

- 5.5 There are no such direct implications.

6. Consultees

- 6.1 The author has consulted, where appropriate, with Corporate Directors, Directors, Heads of Service, other officers and relevant partners on the purpose, content and recommendations of the report.

7. Background Papers

- 7.1 Cabinet Report – 16th October 2019 – Budget Management Update.
7.2 Cabinet Report – 4th December 2019 – Budget Management 2019/20.

8. Appendices

- 8.1 None.