

OVERALL DRAFT 2021/22 REVENUE AND CAPITAL BUDGET

AGENDA ITEM NO. 11

MEETING: POLICY AND RESOURCES COMMITTEE

DATE: 2ND DECEMBER 2020

REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

- 1.1 The purpose of this report is to set out for Members' consideration, comments and approval the Council's overall draft 2021/22 Revenue Budget and Capital Programme Budget.
- 1.2 The report also asks Members' to provisionally agree the proposed level of Precept and Town Council Tax for next year and note the likely movement on the Council's balances and reserves.

2.0 Background to the Report

- 2.1 Members approved the Budget Framework and Timetable for the setting of the Council's 2021/22 Revenue and Capital Budgets at the meeting of the Policy and Resources Committee on 21st October 2020.
- 2.2 This report provided details of the background to the budget setting process, highlighting the challenges and uncertainty created by the Coronavirus pandemic, setting out the key principles and methodology that would be used for the setting of the 2021/22 Revenue and Capital Budgets, and the timetable that would be followed.
- 2.3 The draft 2021/22 Revenue and Capital Budgets have subsequently been developed and agreed by senior officers and distributed to all Council Members for consideration and comment, and the draft budgets for each committee have now been reported to and considered by the Recreation, Environment and Policy and Resources Committees.
- 2.4 This report brings together the budget figures from the draft 2021/22 Recreation, Environment and Policy and Resources Committee Revenue and Capital Budgets to present the overall draft Revenue and Capital Programme Budget for the Council for next year.
- 2.5 More importantly, the report sets out what the proposed 2021/22 Revenue Budget will mean in terms of the level of Precept and Town Council Tax for next year, and also how the proposed Revenue and Capital Budgets will impact upon the level of the Council's Balances and Earmarked Reserves moving forward.

3.0 Current Financial Situation and Future Outlook

- 3.1 Members will be aware from previous reports, the financial backdrop against which the Council's draft 2021/22 Revenue and Capital Budget is being developed.

- 3.2 The Council's strong financial position and prudent financial planning in previous years has meant that it has been able to offset the worst of the revenue losses and additional costs associated with the ongoing Coronavirus pandemic in the current financial year and is on course to deliver a significant saving on its 2020/21 Revenue Budget.
- 3.3 However, looking ahead to next year and beyond there are a number of potential financial challenges, all of which are currently subject to a lot of uncertainty, which will make financial planning very challenging.
- 3.4 These issues include:-
- the ongoing Coronavirus pandemic and the risk of the second wave of infection leading to extended local or national lockdown measures, causing further financial losses into next year;
 - the Government's forthcoming Comprehensive Spending Review and the potential for cuts to local government funding, and the subsequent impact on the future payment of the Council Tax Support Grant;
 - possible further reductions in the Council Tax Base next year as a result of increasing unemployment and claims for council tax support;
 - the possibility of council tax referendum principles being extended to large town and parish councils.
- 3.5 As Members are aware, because of these uncertainties, the update of the Council's Medium-Term Financial Plan has been deferred until next year and the 2021/22 budget setting process and timetable adapted to account for these unprecedented and uncertain times.
- 3.6 It was agreed that the 2021/22 Revenue and Capital Budget would be developed in accordance with the key principles set out in the *current* Medium-Term Financial Plan, which are:-
1. Continuing to provide all Council services, facilities and events and maintaining current standards of service.
 2. Ensuring continued delivery of the Asset Management Plan via the Capital Programme Budgets.
 3. Safeguarding a prudent level of balances and reserves.
 4. Keeping any increase in council tax as low as possible.

4.0 Overall Draft 2021/22 Revenue Budget

- 4.1 The initial draft 2021/22 Revenue Budget has been prepared in line with the key principles from the Medium-Term Financial Plan of maintaining services and ensuring a balanced Revenue Budget, whilst keeping any required increase in the Town Council Tax as low as possible.
- 4.2 The budget has been prepared on the basis of the final figures recently received from Durham County Council in relation to the Council Tax Support Grant and Council Tax Base.
- 4.3 In relation to the ongoing Coronavirus pandemic, it is almost impossible to predict how long the pandemic will last, what restrictions may still be in place by next April, and how these will impact on the Council's budget.
- 4.4 In order to keep the budget setting process as straight forward as possible and make next year's budget 'future proof', an assumption has been made that the worst of the pandemic will be over by the start of the 2021/22 financial year, and the draft revenue budgets have been prepared on the basis of 'business as usual'.

- 4.5 Preparing the Revenue Budget in this way means that if and when the pandemic is over, or at least under control, the Council will still have a robust budget in place to facilitate the continuation of all current services, facilities and events. This is important in the context of the medium-term.
- 4.6 If the pandemic does continue into 2021/22, any financial losses would be met from the contingency sum or reserves, although it should be borne in mind that in the current financial year, the net impact of the pandemic, to date, has actually been a saving to the Revenue Budget.
- 4.7 The draft Revenue Budget has been prepared, initially at least, on the on the basis of a freeze in the Council Tax.
- 4.8 This is in recognition of the difficulties being faced by local taxpayers both during and in the aftermath of the Coronavirus pandemic.
- 4.9 The draft budget will then be updated later in the year as more information is made available in relation to the aforementioned issues.
- 4.10 Preparing the draft 2021/22 Revenue Budget on the basis of an initial freeze in the Town Council Tax, offers the option, prior to setting the Precept in January, of offsetting any further budget pressures, via a small Council Tax increase, if this is absolutely necessary.
- 4.11 Other options for delivering any savings requirement needed to balance the 2021/22 Revenue Budget could include applying an across the board % reduction to all budgets, increasing fees and charges for services, or looking at reducing specific services or events.
- 4.12 However, please note that following the confirmation of the final Council Tax Support Grant and Council Tax Base figures, it is now unlikely that further savings will be needed to balance the 2021/22 Revenue Budget.
- 4.13 Based on the draft 2021/22 Policy and Resources, Recreation and Environment Revenue Budgets already reported to committees, an overall summary of the draft 2021/22 Revenue Budget is attached, in detail, at Appendix 1. A summary is set out below:-

Overall Summary of Draft 2021/22 Revenue Budget

Budget 2020/21 £	Budget Description	Inflation and Committed Growth £	Investment in Services £	Savings and Increased Income £	Budget 2021/22 £
744,300	Policy and Resources	66,550	-	(25,150)	785,700
849,450	Recreation	48,300	-	(50,200)	847,550
185,000	Environment	3,800	-	(3,250)	185,550
28,750	Contingency Sum	-	-	(19,750)	9,000
75,000	Contribution to Reserves	-	-	(25,000)	50,000
(165,000)	Less Council Tax Grant	-	-	(15,300)	(180,300)
1,717,500	Council Precept	118,650	-	(138,650)	1,697,500
6,868	Council Tax Base				6,788
250.08	Band D Council Tax				250.08
166.72	Band A Council Tax				166.72
2.24%	% Increase / (Decrease)				0.00%

- 4.14 **The draft 2021/22 Revenue Budget as summarised above, would lead to a requirement to set the 2021/22 Precept at £1,697,500.**
- 4.15 **This is a decrease of £20,000 or 1.1% on the 2020/21 Precept.**
- 4.16 Based on the final Council Tax Base figure, as notified by Durham County Council of 6,788, which represents a year on year fall of 80 properties, **this reduced level of Precept would result in a freeze in the Town Council Tax next year.**
- 4.17 As highlighted earlier, this initial aim to freeze the Town Council Tax recognises the difficulties being faced by local taxpayers at the present time whilst at the same time providing the Council with the option, later in the year, of offsetting any further budget pressures, via a small Council Tax increase, if this is absolutely necessary.
- 4.18 Further details on the calculation of the Town Council Tax are set out in Section 5 of the Report.
- 4.19 A summary of the key changes to the draft 2021/22 Revenue Budget is provided in the following section of the report. A more detailed breakdown of the various increases and decreases in the Revenue Budget is included within Appendix 1.

Inflation, Pay Awards, and Other Unavoidable Budget Increases

- 4.20 The 2021/22 Local Government Pay Award has yet to be agreed between the National Joint Council for Local Government Services and local government unions.
- 4.21 The 2020/21 pay agreement implemented an increase of 2.75%, ensuring that sufficient headroom exists between the lowest local government pay grade and the National Living Wage, whilst maintaining the equal increments of 2% between each pay grade that were established in the 2019/20 pay agreement.
- 4.22 A further increase of 2.75% has been provided for in the 2021/22 staffing budgets as it is considered that local government pay will need to continue to increase ahead of inflation in order to keep the lowest local government pay rate ahead of the National Living Wage as it is increased towards £10.50 by 2024 in line with the government commitment.
- 4.23 However, it is acknowledged that a pay freeze is equally possible, particularly bearing in mind the recent speculation that a public sector pay freeze is one of the options being considered by the Government as it seeks to pay off the debts incurred during the Coronavirus pandemic.
- 4.24 There is no anticipated change to employers' pension contributions next year, as the contribution rates are now fixed for the 2020/21 to 2022/23 period. The staffing budget is based on current contribution rates and the assumptions that all current members of the pension scheme will remain in the scheme and that any new staff will join the scheme.
- 4.25 The staffing budget is based on the latest approved staffing structure of the Council and any changes agreed by the Personnel Sub Committee up to the end of October.
- 4.26 Provision for inflation has also been made, but only where the increase is unavoidable. Examples include business rates, vehicle insurance premiums, service agreements and machine rentals.

- 4.27 Additional budget provision has also been put in place to meet any other committed or unavoidable increases in costs, such as salary increments due to officers, staff joining the pension scheme, and increased information technology costs linked to remote working, virtual meetings and the new leased broadband line and offices wi-fi.
- 4.28 Finally, provision has been made for any reductions in income such as pre-pandemic falls in sports complex income, reduced investment income as a result of the cut to the Bank of England base rate, and the expected reduction in the depot mobile phone mast lease fee.
- 4.29 The total increase required to the draft 2021/22 Revenue Budget arising from pay awards, inflation, other unavoidable budget increases and falls in income, is £118,650 or 6.9%.

Council Tax Support Grant Funding

- 4.30 The 2021/22 Revenue Budget also needs to provide for any changes to the Council Tax Support Grant funding on which the Council is currently reliant to a total of £165,000 per year.
- 4.31 Durham County Council has confirmed that the total amount of Council Tax Support Grant passed on to Town and Parish Councils will be maintained at current levels next year, despite the uncertainties in relation to future local government finance settlements.
- 4.32 The letter received from Durham County Council on 16th November 2020 explaining the latest position with regard to this issue is attached at Appendix 2.
- 4.33 The letter advises that the Council's final Council Tax Support Grant allocation for 2021/22 is £180,305. This represents an increase of £15,269 or 9.25% year on year.
- 4.34 This increase reflects the County Council's method of allocating the funding to individual councils which is linked to changes in each council's tax raising capacity. It can only be assumed that the Council is receiving a higher proportion of the grant to offset the loss of tax raising capacity as a result of the fall in the Council Tax Base.
- 4.35 This increase in Council Tax Support Grant is a very positive outcome for the 2021/22 financial year.
- 4.36 However, future Government Comprehensive Spending Reviews could result in cuts being made to local government funding over the coming years, and there remains a real likelihood of cuts to the Council Tax Support Grant in subsequent years. This is something that the Council will need to plan for in future updates of the Medium Term Financial Plan.

Additional Investment in the Revenue Budget

- 4.37 No discretionary additional or new investment in services has been provided for in the 2021/22 Revenue Budget in light of the uncertainties created by the current Coronavirus pandemic situation, and the future financial challenges faced by the Council.

Efficiency Savings, Budget Reductions and Increased Income

- 4.38 There have been a number of efficiency savings, reductions in under-utilised budgets and increases in income which have helped to offset the increases in costs and falls in income highlighted earlier.

- 4.39 This process has been helped by the fact that the Council continues to deliver savings on the Revenue Budget in the current financial year, even after accounting for the financial impact of the Coronavirus pandemic.
- 4.40 There will be a saving next year on loan repayment costs as one of the Council's two outstanding PWLB loans is due to be repaid. This will save around £6,000 per year from next year.
- 4.41 There have also been a number of savings on staffing costs from staff turnover as a result of the new officers commencing work on lower grades than their predecessors, while there have been further savings from placing a salary bar on the vacant Sports Complex Manager post.
- 4.42 There have also been some significant savings in gas and electricity costs across all services partly as a result of the re-tender of the contracts by Durham County Council procurement department, and partly as a result of energy efficiency measures such as the roll out of LED lighting across all buildings.
- 4.43 There have been further savings from the reduction of under-utilised budgets across all services in line with actual spending in recent years. Budgets that have been reduced include staff cover and overtime provision, building maintenance, printing and photocopying, stationery, works tools and equipment, bedding plants, vehicle fuel, play equipment maintenance and environment events. In addition, sports complex bar, catering and vending stocks budgets have all been reduced in line with the falls in income in these areas.
- 4.44 Finally, income is up in a number of areas. As well as the aforementioned increase in the Council Tax Support Grant, there has been a substantial increase in golf green fee income since the facility reopened after the Coronavirus lockdown, while driving range takings and golf shop sales have both increased significantly.
- 4.45 Total savings, budget reductions and increased income identified in the draft 2021/22 Revenue Budget amount to £78,600 or 4.6%.

Contingency Sum and Contribution to Capital Reserves

- 4.46 The Revenue Budget Contingency Sum has been reduced by £19,750 to £9,000 in order to help balance the 2021/22 Revenue Budget and deliver the freeze in the Town Council Tax.
- 4.47 The remaining budget provides some limited scope to deal with any unforeseen budget pressures that may arise during next year.
- 4.48 The Contribution to Capital Reserves has been reduced by £25,000 to £50,000, again to assist in balancing the Revenue Budget and delivering the freeze in the Town Council Tax.
- 4.49 The existence of this budget enables the partial replenishment of the Council's balances and reserves each year in line with the policy established in previous Medium-Term Financial Plans.

Council Tax Referendum Principles and Limit on Council Tax Increases

- 4.50 The Government previously announced that the consideration of the extension of council tax referendum principles to higher spending parish and town councils would be deferred until the end of the 2020/21 year.

- 4.51 This decision was conditional upon “*the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or for ‘invest to save’ projects which will lower ongoing costs*”, and the Government “*seeing clear evidence of restraint in the increases set by the sector as a whole*”.
- 4.52 It is unclear at the present time what the Government’s current thinking on this issue is.
- 4.53 Referendum principles could be extended to larger town and parish councils if the Government wishes to keep council tax increases down to help facilitate the economic recovery from the pandemic. However, the Government may also wish to offer local councils the freedom to increase council tax to help their local communities recover.
- 4.54 As previously highlighted, the draft 2021/22 Revenue Budget has been prepared on the basis of a freeze in the Town Council Tax.
- 4.55 This is in recognition of the difficulties being faced by local taxpayers, whilst at the same time providing the option, later in the year, of offsetting any further budget pressures via a small Council Tax increase, if this is absolutely necessary.
- 4.56 However, preparing the draft Revenue Budget on the basis on a Council Tax freeze also means that if council tax referendum principles are introduced by the Government, and, in the worst-case scenario a 0% limit is put in place, the Council would already have a budget in place to comply with this requirement.

Future Revenue Budget Developments

- 4.57 It is important to stress, particularly in the current circumstances, that the 2021/22 Revenue Budget remains a *draft budget* and the Council will need to respond to any further developments between now and the end of January, when the Precept is due to be set.
- 4.58 The final 2021/22 Revenue Budget proposals will be brought forward for consideration and approval in January 2021, although it is not currently anticipated that there will be any major changes to the figures set out in the draft budget.

Fees and Charges

- 4.59 The Revenue Budget does not currently provide for any increases in fees and charges for services such as the sports complex, golf complex, football pitches, pre-schools, and cemeteries.
- 4.60 Fees and charges are considered outside of the budget setting process by the Council’s Charges Working Group and it has been previous Council policy *not* to build any increases into the Revenue Budget until the following year.
- 4.61 This means that any additional income that is then generated from fees and charges increases next year, would provide surplus resources within the 2021/22 Revenue Budget, helping to generate savings and providing a boost to Council balances and reserves.
- 4.62 However, if the Council subsequently needs to find savings to balance the 2021/22 Revenue Budget, building in the additional income raised from any increases in fees and charges would be one of the available options for doing so.

5.0 2021/22 Council Tax

- 5.1 The Town Council Tax is calculated using the 'Tax Base' figure for the Great Aycliffe Parish.
- 5.2 The Tax Base is calculated by Durham County Council, as the Council Tax Billing Authority, for every Parish in the County.
- 5.3 The Tax Base is a calculation of the number of 'chargeable' properties in the Great Aycliffe Parish for council tax calculation purposes.
- 5.4 The total number of properties in the Parish is adjusted to take account of the numbers of households in receipt of council tax support, discounts and exemptions, as well as empty properties, and the council tax collection rate.
- 5.5 The Town Council Tax is calculated by dividing the Council Precept by the Tax Base figure. This provides the Band D Council Tax figure.
- 5.6 The Council's 2020/21 Tax Base figure was 6,867.8 properties.
- 5.7 **The final Council Tax Base figure for 2021/22 has been notified by Durham County Council, at 6,788.**
- 5.8 **This is a decrease of 80 properties** and has been driven by the impact of the Coronavirus pandemic in terms of increasing unemployment and claims for council tax support and a slowdown in new housing development.
- 5.9 The letter received from Durham County Council in relation to the Council Tax Base figure is attached for Members' information at Appendix 2.
- 5.10 **The draft 2021/22 Revenue Budget as set out earlier in this report would result in a draft 2021/22 Precept of £1,697,500.**
- 5.11 **The draft 2021/22 Precept of £1,697,500 divided by provisional 2021/22 Tax Base figure of 6,788 would result in a Town Council Tax at Valuation Band D next year of £250.07.**
- 5.12 **This represents a freeze in the Town Council Tax.**
- 5.13 **The Town Council Tax at Valuation Band A, which is the valuation band within which nearly 60% of the properties in the Parish are currently valued, would remain at £166.72.**
- 5.14 As highlighted earlier in the report, this initial proposed freeze in the Town Council Tax is partly in recognition of the difficulties being faced by local taxpayers, and partly reflective of the possible need to hold back the option of implementing a small increase in council tax in the event that the Council suffers further budget pressures between now and setting the 2021/22 Precept in January.
- 5.15 For information, if a 2% increase in the Town Council Tax was implemented, this would result in £34,000 in additional resources being made available in the 2021/22 Revenue Budget.
- 5.16 Even though the draft 2021/22 Revenue Budget currently reflects a small reduction in the Council's Precept and a freeze in the Town Council Tax, it is important to stress that the budget will still enable the Council to maintain all services, facilities and events next year, whilst retaining a small contingency sum and a £50,000 contribution to capital reserves within the Revenue Budget.

- 5.17 This will ensure that the Council can continue to replenish its earmarked capital reserves at a time when they are likely to be depleted financing capital investment over the coming years, whilst also ensuring that some surplus resources are available to fund any additional or unforeseen budget commitments.
- 5.18 Moving forward there is likely to be some recovery in the Council Tax Base in subsequent years, as the country bounces back from the pandemic, and bearing in mind the new housing developments that are currently on-going or planned for the future in the Parish.
- 5.19 However, it is not considered prudent to take these housing developments into account until they have actually been realised in future tax base growth, although any significant future increase in the Council Tax Base would help to balance the Revenue Budget in the medium-term and restrict any required council tax increases.

6.0 Draft 2021/22 Capital Programme Budget

- 6.1 The Council's approved Asset Management Plan and Medium-Term Financial Plan provide the main drivers for the development of the Council's Capital Programme Budgets over the medium and long term.
- 6.2 The Asset Management Plan sets out the capital investment likely to be required to ensure that all of the Council's fixed assets i.e. its land, buildings, plant, vehicles, machinery, play areas, street equipment and office equipment, continue to effectively meet the Council's strategic aims and the operational requirements of its services over the long term.
- 6.3 The current Medium-Term Financial Plan highlighted a risk that the Council faces some potentially significant capital investment commitments in relation to its assets over the medium to longer term, linked to the delivery of the Asset Management Plan, and that the funding of this investment will see a deterioration in the Council's reserves.
- 6.4 In light of this, the Council agreed that future capital investment will continue to be closely monitored and controlled in order to protect and preserve Council balances, and the 2021/22 Capital Programme Budget has been prepared on the basis of essential investment only, mainly linked to the delivery of the Asset Management Plan.
- 6.5 To be clear, it is *not* being recommended that *all* capital investment is restricted, more that investment should be focussed on those projects that contribute towards the delivery of the Asset Management Plan, such as essential building works, replacement of vehicles and machinery at the end of their useful life, information technology, essential footpath and play area safety surface repairs and Ash tree dieback disease works.
- 6.6 The budget has been prepared largely on the basis of the investment already identified in the Medium-Term Financial Plan, adjusted for any changes in costs, the delaying or removal of any non-essential investment, as well as the addition of any new projects identified by service managers as being of an essential nature.
- 6.7 **The draft 2021/22 Capital Programme Budget is attached at Appendix 3 and currently stands at £196,500** and includes provision for the following projects:-
- Replacement of windows, blinds and carpets at the offices;
 - Upgrade of the alarm system sensors at the depot;
 - Internal CCTV system and redecoration at St Oswald's Pre-School;
 - Purchase of electrical alternatives for works machinery;
 - Replacement of the rotary mower;

- Replacement of the golf course utility vehicle
 - Computer replacements and website development;
 - Replacement office photocopier;
 - The ongoing programme of replacement festive lighting;
 - The ongoing programme of play area surfacing replacement;
 - Skate park maintenance;
 - Golf shop carpet, launch monitor and alarm system upgrade;
 - Provision to replace the bowls hall flat roof at the sports complex;
 - Provision for ongoing drainage repairs at the sports complex;
 - External redecoration at the sports complex;
 - Deep cleaning of the function room carpet at the sports complex;
 - Replacement of remainder of the fencing at St Oswald's Allotments;
 - Replacement public seating and further memorial seating;
 - Provision for the removal of trees affected by Ash dieback disease;
 - The ongoing programme of footpath repairs.
- 6.8 Detailed information on each of above projects included within the draft 2021/22 Capital Programme Budget was set out in the Committee Budget Reports and has not therefore been repeated in this report.
- 6.9 It is also likely that that a large number of capital projects from the current financial year will be delayed and carried forward to 2021/22.
- 6.10 These projects include electrical works machinery, information technology investment relating to server replacement and implementation of paperless office and governance, Woodham Park play area upgrade, replacement of the driving range ball washer, golf irrigation system repairs, various works at the sports complex including roofing repairs, bar furniture replacement and kitchen equipment, and the unspent balance on the Ash tree dieback disease works budget.
- 6.11 The proposed 2021/22 Capital Programme will ensure the continued delivery of the Council's Asset Management Plan and will keep all major building works and replacements of vehicles, machinery, office equipment, street equipment and play equipment on schedule.
- 6.12 The budget will be funded from the Council's Earmarked Capital Reserves which have been built up and set aside for this purpose.
- 6.13 The Council will continue to seek opportunities to secure external capital grants or contributions such as Section 106 Agreement monies, Durham County Council Members Initiative Fund contributions and funding from the Great Aycliffe and Middridge Area Action Partnership, and any external funding that is secured would provide resources over and above those set aside in the draft 2021/22 Capital Programme Budget.

7.0 Council Balances and Earmarked Reserves

- 7.1 The draft 2021/22 Revenue and Capital Programme Budgets have been prepared on the principle of ensuring that the Council's Balances and Reserves can be maintained at sufficient levels to support future years' capital spending commitments.
- 7.2 **Council Balances and Earmarked Reserves are expected to stand at around £1.323 million at the end of the 2020/21 financial year**, based on the expected outturn projection reported to the previous Policy and Resources Committee.
- 7.3 This level of balances is better than forecast in the current Medium-Term Financial Plan, despite the financial impact of the Coronavirus pandemic, and is an

endorsement of the careful and prudent manner in which this Council has managed and planned its finances in recent years.

- 7.4 The Council agreed at the last Policy and Resources Committee meeting to set aside £100,000 from the 2020/21 Revenue Budget saving in a Covid-19 Recovery Reserve, with a view to passing these savings back to local taxpayers via one-off investments during the 2021/22 financial year, subject to the financial situation of the Council allowing this.
- 7.5 The funding of the above reserve, taken alongside the draft 2021/22 Revenue and Capital Programme Budgets, and the forecast carry forward of capital commitments from the current financial year, would result in **Council Balances and Reserves falling to around £1 million by March 2022**, assuming that some savings continue to be achieved on the Revenue Budget next year.
- 7.6 Whilst balances and reserves will fall from the peak of £1.323 million projected for the end of this financial year, this is still considered to be a prudent level of balances to support the Council's medium-term capital investment requirements, particularly bearing in mind the contribution to capital reserves still included in the Revenue Budget.
- 7.7 This contribution to capital reserves enables the Council's balances and reserves to be partially 'topped up' each year, while balances would be further boosted if savings continue to be achieved in the Revenue Budget as they have been in recent years.
- 7.8 A full analysis of the likely movement on the Council's Balances and Reserves as a result of the proposed 2021/22 Revenue and Capital Budget is attached at Appendix 4.

8.0 Consultation on the 2021/22 Budget

- 8.1 It is important that the Council consults with local taxpayers on its future spending plans and takes those views into account when making spending decisions and setting the annual budgets.
- 8.2 In previous years, the Council has sought the views of local taxpayers via an online budget survey, promoted via the Council website, local press, social media and Council newsletter, as well as holding budget consultation events with the Council's Customer Panel group and via public drop in events.
- 8.3 In light of the ongoing pandemic situation, it is *not* recommended that any public events are held this year and that the budget consultation is undertaken via an online survey only.
- 8.4 In reality, public engagement with the Customer Panel budget consultation meeting and drop in events have been very poor in recent years, whilst engagement with the online survey has been much better. It is not therefore felt that there will be any negative public reaction to this proposed change in the consultation process.
- 8.5 An online budget survey will be published in early December, and widely publicised on the Council website, in the local press, and on the Council's social media channels.
- 8.6 Feedback from the budget consultation would then be reported back to members to inform the final decisions regarding the setting of the Council Budget in January.

9.0 2021/22 Budget Setting Timetable

9.1 The remaining timetable for the setting of the 2021/22 Budgets is summarised below:-

- **During December:** Budget consultation to be undertaken via an online budget survey;
- **During December:** Officers to review and implement any feedback and amendments from Members and consider any further developments in relation to the 2021/22 budget setting, including any required savings;
- **20th January:** The final 2021/22 Revenue and Capital Budget proposals, incorporating any new developments, required amendments and the feedback from the budget consultation to be reported to Policy and Resources Committee;
- **27th January:** Revenue and Capital Budgets to be approved by Full Council and the 2021/22 Precept and Council Tax increase to be declared.

10.0 Policy Implications

10.1 The approval of the draft 2021/22 Revenue and Capital Budgets contributes towards the achievement of Strategic Aim 2 in the Council's Service Delivery Plan:

“To manage the Council’s finances and assets in a responsible manner”.

11.0 Staffing Implications

11.1 The draft budget proposals set out in this report were prepared in consultation with, and agreed by, the relevant service managers.

12.0 Financial Implications

12.1 The financial implications for the Council are fully set out in the report.

13.0 Crime and Disorder Implications

13.1 None.

14.0 Equal Opportunities Implications

14.1 None.

15.0 Environmental Implications

15.1 None.

16.0 Risk Assessment

16.1 The draft 2021/22 Revenue and Capital Programme Budgets have been prepared with regard to the key accounting principle of prudence, and the levels of balances and contingencies included within the Revenue Budget are considered to be adequate.

16.2 A full risk assessment will be included in respect of the setting of the Council’s 2021/22 Budget, at the final stage of the budget setting process, when the Council determines and approves the 2021/22 Precept.

17.0 General Data Protection Regulations (GDPR)

17.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

18.0 Recommendations

18.1 It is recommended that Members:-

- a) Consider and agree the attached overall summary of the draft 2021/22 Revenue and Capital Budget, including:-
 - The draft 2021/22 Precept of £1,697,500;
 - The proposed freeze in the Town Council Tax;
 - The draft 2021/22 Capital Programme Budget of £196,500;
 - The expected fall in the Council's Balances and Reserves to £1 million by the end of the 2021/22 year.
- b) Provide any comments, feedback and proposed amendments to the 2021/22 draft Revenue and Capital Budgets to the Chairman or Vice Chairman of the Committee as soon as possible.