

Overview, Scrutiny & Policy Development Committee

Monday, 7 September 2020

Present: Councillor S Graham (Chair)
Councillors J Allan, B Burdis, K Clark, M Green,
Janet Hunter, A McMullen, A Newman, P Oliver,
M Rankin, D Cox, J Kirwin and W Samuel

In attendance:
S Fallon – Church Representative
M Ord – Parent Governor Representative

OV54/20 Appointment of Substitute Members

There were no substitutes.

OV55/20 Declarations of Interest and Dispensations

There were no Declarations of Interest.

OV56/20 Minutes

Resolved that the minute of the meeting held on 5 August 2020 be confirmed.

OV57/20 2021-2025 Financial Planning and Budget Process incorporating the Associated Engagement Strategy

The Head of Resources attended the meeting and stated that the improvements made to the Authority's budget process had allowed presenting of the report a full month earlier.

The Committee considered a report that set out information to the proposed 2021-2025 Financial Planning and Budget Process. It also provided an overview of the potential financial implications of COVID-19 for both the current year and for the period of the authority's Medium-Term Financial Plan (MTFP).

The Committee was informed that due to the significant uncertainty that assumption's with regards MTFP was modelled using a risk-based approach using best, middle and worst case scenarios for resources (Council Tax and Business Rates).

The Committee was informed of a number of assumptions the Authority was making, however the Comprehensive Spending Review was due in late Autumn, which increased uncertainty to the Financial Planning process of the Authority.

Due to the impact of COVID-19 and the significant level of uncertainty on the demand for services (Childrens, Adults, Worklessness) and the reduction on income from leisure

centres and other services increased budget risk.

The Engagement arrangements around the budget would be delivered online and all face to face activity would be COVID-19 secure.

The Committee was informed that Cabinet's Initial Budget Proposals would be considered at its meeting on the 30 November 2020.

The Chair asked what further Central Government support was going to be provided to Local Authorities. The Head of Resources stated that there was due to be provided a compensation scheme in relation to the loss of fees and charges, however Local Authorities would be fully compensated and would have an impact on the budget.

A Member stated that Government announcements had been made stating that Local Authority's would be provided funding to replace those lost through COVID-19, it was asked how this could be explained clearly to the general public to what the Authority actually receives and the impact of not being fully compensated.

The Head of Resources stated that for 2020/21, the position would be clear to what the Council had received in income & the source of any revenue losses. It would also be clear what additional funding had been received from central government, however the effects for future years would be more difficult as there would be continual financial pressures to deliver all current Council services.

A Member asked what further effect Brexit would have on the budget. In response it was stated that there was a continued degree of uncertainty with the impact of Brexit, the Authority would need to consider any risks or opportunities that arise.

The Chair stated that setting a budget was very challenging and with the impact of both COVID-19 and Brexit would only make it more. She stated that there needed to be a clear understanding that most of the budget is spent to provide Adult, Children and Social Care services. Due to the impact of COVID-19 it is understood there will be less income from Council Tax/Business Rates and other services, which only increase the financial pressures.

The Committee acknowledged the information and budget assumptions provided were with a high degree of uncertainty but praised officers for their work.

It was agreed that Overview, Scrutiny & Policy Development Committee would establish a Budget Sub-group to carry out further scrutiny of the 2021/22 budget in line with the Key Milestones Table at Appendix B of the report.

It was **Agreed** that (1) the 2021-25 Financial Planning and Budget Process incorporating the Associated Engagement Strategy report be noted; and (2) Overview, Scrutiny & Policy Development Committee establish a Budget Sub-group to carry out further scrutiny of the 2021/22 budget in line with the Key Milestones Table at Appendix B of the report.