

THE VALE OF GLAMORGAN COUNCIL

CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE:
5TH FEBRUARY, 2020

REFERENCE FROM CABINET: 3RD FEBRUARY, 2020

**“C212 FINAL PROPOSALS FOR THE REVENUE BUDGET 2020/21 (L/PR)
(SCRUTINY – CORPORATE PERFORMANCE AND RESOURCES) –**

The purpose of the report was to set out final proposals for Cabinet Members to consider, before making their recommendations to Council, in respect of the final revenue budget for the financial year 2020/21.

The initial budget proposals presented to Cabinet in November 2019 outlined the potential financial picture for the Council in 2020/21.

The provisional settlement from Welsh Government (WG), when taking into account adjustments, was an increase of £6.626m (4.29%) from the previous year. The final settlement was not due to be received until 25th February, 2020.

In setting the proposed budget for 2020/21, funding had been provided towards cost pressures, including the remainder of the cost pressure associated with the increase in employer's contributions into the Teachers' Pensions Fund. This was estimated to cost the Council £1.204m in 2020/21. The Council proposed to provide funding to schools to fully fund this pressure.

An efficiency target of £247k had been proposed for 2020/21 which covered all service areas and was at a level which was significantly lower than the targets that had to be set in previous years. It had become increasingly difficult for services to deliver further savings without reducing service provision following £59m of savings which have been achieved in the last 10 years. It was considered that the target set for 2020/21 was at a level that could be achieved by services.

In order to deliver these budget proposals, it would be necessary to use £1m from the Council Fund reserve in 2020/21, as previously approved as part of the 2019/20 budget proposals. This was not ideal as it would move the financial pressure onto future years where higher levels of savings would need to be achieved however it was considered to be an appropriate approach.

It was proposed that the Band D Council Tax rate be set at £1,306.08 for 2020/21 which was an increase of 4.9% from the current year.

In light of no indication being received from WG for future years' settlements, it was considered prudent to assume that there may be a flatlined settlement going forward. If Council Tax continued to increase by 4.9% this could result in the possible total

shortfall in funding for 2021/22 and 2022/23 of £10.596m. Whilst it had been possible to set efficiency targets at a lower level in 2020/21 this may not be the case going forward and in light of projected levels of shortfall in future years, services were requested to continue to plan ways of achieving further efficiencies which would be innovative and transformational with regards to service delivery.

This was a matter for Executive decision

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

T H A T Cabinet recommend to Council the following:

(1) Fix the budget for 2020/21 at £240.438 million including a provision of £290k for discretionary rate relief to rural shops and post offices and charitable organisations.

(2) Approve the budgets for 2020/21 as set out in Appendix C to the report and in the following table:

	£000
Schools	93,950
Strategy, Culture, Community Learning & Resources	11,344
Additional Learning Needs	2,921
Standards and Provision	4,080
Directors Office	231
Children & Young People	17,255
Adult Services	50,526
Resource Management & Safeguarding	371
Youth Offending Service	737
Neighbourhood & Transport Services	28,309
Building Services	0
Regulatory Services	1,894
Council Fund Housing	1,339
Resources	651
Regeneration	2,024
Development Management	1,016
Private Housing	848
General Policy	23,942
Use of Reserves	(1,000)
Grand Total	240,438

(3) Approve the recommendations regarding Net Growth for 2020/21 as set out in Appendix D and Efficiencies for 2020/21 as set out in Appendix E to the report.

(4) The proposed draft report on Education Budget and Indicator Based Assessment (IBA) at Appendix A to the report be endorsed and the Director of Learning and Skills make arrangements for it to be forwarded to the School Budget Forum.

T H A T Cabinet approve the following:

(5) The initial savings / efficiencies targets for 2021/22 as set out in Appendix F to the report be approved.

(6) The Director of Learning and Skills be given delegated powers to determine the amount of money to be allocated to the schools' delegated budgets after consultation with the Schools' Budget Forum.

(7) The reclassification of reserves as set out at Appendix H to the report be approved.

(8) The report and appendices be referred to Corporate Performance and Resources Scrutiny Committee for review and any comments of Scrutiny Committee are referred to Cabinet in advance of consideration by Council.

T H A T Cabinet note:

(9) The Council Tax bandings for 2020/21 for its own purposes (excluding Police and Town and Community Council precepts) for a base budget of £240.438 million.

Band	Council Tax £
A	870.72
B	1,015.84
C	1,160.96
D	1,306.08
E	1,596.32
F	1,886.56
G	2,176.80
H	2,612.16
I	3,047.52

Reasons for decisions

(1) To set the 2020/21 budget in line with statutory requirements.

(2) To allocate budgets to services.

- (3) To reduce risk to services and balance the budget.
- (4) To present the report to the Schools Budget Forum.
- (5) To set minimum targets for achieving savings.
- (6) To set out delegated authority in relation to the allocation of the Education and Schools budget.
- (7) To ensure that reserves are both adequate in purpose and level.
- (8) To ensure that Cabinet are aware of the comments of Corporate Performance and Resources Scrutiny Committee on the Final Proposals for the Revenue Budget 2020/21.
- (9) To ensure that Members are aware of the Council Tax Bandings associated with the base budget proposed in this report.”