

CHAIR'S STATEMENT

Full Council (Council Tax & Budget Setting (2021/22) etc.) |

Thursday, 18 February 2021

Budget and Medium-Term Financial Strategy (2021/22)

As the Chair of the Policy, Finance and Development Committee, it is my pleasure to present the Council's budget for 2021/22. In short, it is very heartening that we are able to produce a balanced budget for 2021/22, and expect to be able to deliver the same in 2022/23, despite the government once again only announcing a single year settlement. Whilst it is pleasing, we have had to amend some of our long-standing wishes, in that we will be increasing our incredibly low car parking charges to generate much needed income, increase the charge for Garden Waste and review the most cost effective way of delivering our refuse and recycling services. If we do not do this, we would have two options - deplete our reserves to the point of exhaustion and/or cut services - neither is palatable or in keeping with delivering all that we can to our residents, businesses and partners.

The background to this budget has been one of unprecedented conditions, COVID has decimated income to the council, and put huge pressure on services to not only continue to provide services without alteration, but to deliver more to those who are in need. The pressure on our finances may not have been as great had the government not had a change of heart when they said at the start of the

pandemic that authorities would be no worse off. We have seen the significant impact of receiving some £500k less from government than the pandemic had cost us by November - but we have worked hard to mitigate this, and we are hoping to only draw down £250k from reserves to balance 2020/21.

The Government has promised over £200k to help against COVID impact for this budget, but as you'll see, we have had to estimate potential impacts above this of £500k - hopefully we will only scratch the service of the contingency, but if this year has shown us anything, it is that we have to plan for realism and not expect any sort of a fair "bail out".

Our reserves are not significant, we have around £1.2m of available reserves that we can utilise to mitigate risk and use to develop projects (above our minimum General Fund levels). This is stable, it isn't strong, nor is it very weak, but it is protection. We have seen our equivalent reserves drop from over £3.5m since 2014/15 until available reserve depletion petered out in 2017/18.

We cannot underestimate the impact the change in Central Government funding has had a detrimental impact upon the Council. When the last four-year spending review ended in 2019/20, the Council had seen a 30% drop in funding from Central Government in that period. The Settlement funding assessment for the first year of the review (in 2015/16) was £2.6m. The Settlement funding assessment for 2021/22 is £1.54m - a 41%. Over the same period, the Council Tax required to collect to balance the budget increased 22.5% (circa £800k). At the same time, the Council's Total revenue

budget has remained around £6.5m, meaning that the Council has met the funding gaps through improved income generation and efficient and effective working, whilst mitigating continual increases in costs and inflation. This is quite some achievement.

This budget shows that although we are small, we are nimble, efficient and can take action that deals with the challenges thrown at us and we are not afraid to make decisions, unlike many other organisations who may have significantly larger budgets and resource bases, cannot offer the stability this budget provides - we will not be one of those organisations, that to paraphrase Yates is "slouching towards Bethlehem".

I would like to thank all of the officers as a whole thanks not only to contributing to the development of this budget, generating income ideas and creating effective and efficient ways of delivering services enable the budget to balance, but for working their socks off in this truly unique year helping those in need and providing excellent services.

Councillor Dean A Gamble

Chair of the Policy, Finance and Development Committee

Dated: Thursday, 18 February 2021