

CABINET

29 JANUARY 2021

REFERENCE REPORT FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE

A.4 SCRUTINY OF THE UPDATED FINANCIAL FORECAST/BUDGET 2021/22 AND HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2021/2022

(Report prepared by Ian Ford)

BACKGROUND

The Resources and Services Overview and Scrutiny Committee at its meeting held on 14 January 2021 (Minutes 116 and 117 refer) and in accordance with the requirements of the Budget & Policy Framework Procedure Rules scrutinised:-

- (1) the updated financial forecast and proposed budget position for 2021/22; and
- (2) the Housing Revenue Account (HRA) Budget for 2021/22 including the movement in HRA Balances, the level of fees and charges for 2021/22 and the HRA Capital Programme.

COMMITTEE RECOMMENDATIONS AND COMMENTS TO CABINET

As a result of that scrutiny the Resources and Services Overview and Scrutiny Committee made the following recommendations to Cabinet:-

Updated financial forecast and proposed budget position for 2021/22

RECOMMENDATIONS TO CABINET:

- (a) *In respect of future outturn positions on the Council's annual budget, to allocate as a priority any available underspend following permitted carry forwards to extend further the measures to achieve the Back to Business Agenda of the Council.*
- (b) *Further to (a), to establish a Business Roundtable for the District as part of the Back to Business Agenda and to inform that Agenda going forward.*
- (c) *To reassess all the current reserves, provisions and one off sums allocated by the Council to determine whether they were still required, relevant to the Council's Corporate Plan and the associated sum was at the appropriate level and:*
 - (i) *to re-allocate sums such as those for the Clacton Town Centre Fountain and Residents Free Parking (where the cost has been incorporated in the base revenue budget) to more closely align with the Corporate Plan priorities of the Council.*
 - (ii) *to identify the specific intentions for the £1.585M for Business Investment and Growth Projects reserve or otherwise look to reallocate that reserve.*

- (iii) *To allocate a further £56k to resourcing public realm improvements across the District (supplementing and extending the £44k set aside to fund '2 One year fixed term posts to support improvements to the overall appearance of the District') thereby allocating a total of £100k to this initiative in total.*
- (iv) *From the reallocation process, and in recognition of the additional £110k in recycling credits achieved by the Council in 2020/21, to identify £10k to improve recycling bring sites operated by the Council in the District to improve the attractiveness of those sites, signage at and to those sites and thereby further encourage their use and address relevant issues at those sites.*
- (d) *To request that proposals for use of the Tendring Community Fund be developed swiftly so that these can be put in front of a meeting of the Portfolio Holder Working Party on the Tendring Community Fund without delay.*
- (e) *To identify whether existing funding in the revenue budget and reserves, provisions and one-off sums enables the Council to adequately support co-ordinated measures to address the mental health needs of the local population as we ultimately come out of covid-19 pandemic restrictions and if this is found to be insufficient to look to allocate further resources as necessary to address those needs.*
- (f) *To pro-actively assess and monitor the resources required to deliver a dynamic and expansive Tourism Strategy for the District (and the Year 1 delivery plan to accompany that Strategy) to maximise the advantage to the District as soon as covid-19 pandemic restrictions are lifted and extending beyond the normal summer season.*

Housing Revenue Account (HRA) Budget for 2021/22 including the movement in HRA Balances, the level of fees and charges for 2021/22 and the HRA Capital Programme

RECOMMENDATION TO CABINET: *To set a target level for reducing void periods in 2021/22 in the housing stock with a view to providing specific focus to those measures.*

PORTFOLIO HOLDER'S COMMENTS AND RECOMMENDATIONS TO CABINET

Portfolio Holder Comments

Proposed responses against each point raised by the Committee are set out in the table below:

R&S O&S Ref. from above	Response of the Portfolio Holder for Corporate Finance and Finance
(a)	The allocation of any favourable outturn position each year will need to take into account a number of issues, including the funding of the Council's priorities, one being the very important back to business initiative. The allocation of this funding will therefore need to take into account the Council's wider financial position at the appropriate time.
(b)	This would be something that I would be happy to support as part of the on-going development of the back to business initiative.
(c)	The assessment of reserves, provisions and one-off budgets form part of the existing financial performance monitoring and budget setting processes throughout the year. They will therefore form part of these activities in 2021, which will include the reallocation of budgets as necessary, where the specific funding allocations put forward by the Committee can also be considered.
(d)	Work is underway to progress this initiative.
(e)	This will be considered as part of the Back to Business initiative, along with the activities set out in the response to (c) above.
(f)	This is currently being considered as part of the 'audit' of the various funded projects and initiatives to ensure their delivery, which must be both timely and effective to maximise value for money for the Council.
HRA	A number of issues / actions were highlighted in the Housing Revenue Account Budget report that was considered by the Committee, which will be monitored as part of the quarterly financial monitoring reports. The overall target is to return to the historic 'stable state' position of 2% over the coming year.

Recommendation(s) to Cabinet

That the recommendations of the Resources and Services Overview and Scrutiny Committee be noted and the comments of the Corporate Finance & Governance Portfolio Holder, in response thereto, be endorsed.