

Report Title:	<b>Budget Reports 2020/21</b>
Contains Confidential or Exempt Information?	No - Part I
Member reporting:	Councillor Hilton, Lead Member for Finance and Ascot
Meeting and Date:	Cabinet – 6 <sup>th</sup> February 2020
Responsible Officer(s):	Duncan Sharkey, Managing Director and Terry Neaves, Interim S151 Officer
Wards affected:	All

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## REPORT SUMMARY

1. Full Council will meet on 25<sup>th</sup> February 2020 to set the Council budget for 2020/21.
2. This report has four annexes which contain the main budget reports to be considered by Full Council
3. The Council's proposed Capital Programme for 2020/21 – 2022/23 and Capital Strategy 2020/21 – 2024/25 sets out the proposed capital programme and associated funding.
4. The Fees & Charges report sets out proposed changes to fees and charges for 2020/21
5. The Revenue Budget report 2020/21 sets out the proposed revenue budget for 2020/21 and medium term financial strategy.
6. The Treasury Management and Prudential Indicators report sets out the treasury management strategy and key funding indicators in relation to the capital programme.
7. The Cabinet is asked to consider each of these reports, subject to any proposed changes Cabinet wishes to make before submission to full council.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Cabinet notes the report and recommends that Council:

- (i) Approves the proposed Capital Programme for 2020/21 – 2022/23 and Capital Strategy 2020/21 – 2024/25 (annex A) noting:
  - a. the deletion of the Dedworth Community Café from the programme as set out within the Capital Programme Report.
  - b. the fully funded capital budget of £100,000 in 2019/20 for Ascot High Street Public Realm and Highway Improvements Design Study.

- (ii) Approves the proposed Fees and Charges (Annex B)
- (iii) Approves the Revenue Budget 2020/21 (Annex C)
- (iv) Approves the Treasury Management Strategy and Prudential Indicators (Annex D).

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 This report sets out the financial plans for the Royal Borough of Windsor and Maidenhead and its budget requirement for 2020/21 and associated council tax level for 2020/21.

2.2 Four reports are on this agenda.

- a) **Capital Programme report** sets out the council's plan for capital investment in 2020/21 and the indicative five year plan up to 2024/25.
- b) **Fees & Charges report** sets out the proposed increases in Fees and Charges that have been included within the 2020/21 budget proposals.
- c) **The Revenue Budget Report 2020/21** sets out council spending plans for 2020/21 and medium term financial strategy
- d) **Treasury Management Strategy & Prudential Indicator Report 2020/21** set out how the council will fund and afford its planned level of capital investment in 2020/21 and beyond. This also assesses the affordability of capital investment plans in the context of the revenue budget and its Prudential Indicators.

## 3. KEY IMPLICATIONS

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Services delivered within approved budget	Budget overspend >£250,000	Budget variance +/- £250,000	Budget underspend >£250,000 <£1,500,000	Budget underspend >£1,500,000	31 March 2021

## 4. FINANCIAL DETAILS / VALUE FOR MONEY

### 4.1 Introduction

4.1.1 The Council faces a challenging financial position. This is set out clearly in the main Revenue Budget report at Annex C.

4.1.2 Annex C also sets out the policy context for setting the budget as follows:-

- (i) Protecting the most vulnerable and ensuring that the council can continue to meet its significant and growing commitment on Children's Services and Adults Social Care.
- (ii) Creating opportunities across the borough and continuing to invest in its regeneration and development;
- (iii) Enabling the council to meet its existing capital commitments as well as starting to invest in new technology to help it become more efficient in the future;
- (iv) Ensuring that the council adopts a more sustainable and carbon neutral approach to the environment.

4.1.3 The Financial and Policy context have influenced the development of significant financial savings, which have been considered by relevant scrutiny committees. These are set out in detail in Annex C

4.1.4 Fees and Charges have been reviewed extensively in line with the policy context and the following key principles.

- a) **Charges should be broadly in line with other neighbouring councils** – in some cases charges set by the borough are lower than neighbouring councils. Charges have therefore been reviewed to bring them into line with other councils.
- b) **Charges should reflect cost increases incurred by the council**, accordingly the majority of charges have been increased by 3% in line with estimated inflation
- c) **Charges should recognise demand for the service** – in some cases where income is falling, increasing charges can have a negative impact on overall income.

4.1.5 Proposed new Fees & Charges are set out in Annex B.

4.1.6 The Capital Programme has also been developed within tight financial constraints and based on a revised Capital Strategy set out in Annex A.

4.1.7 More specifically two key changes are proposed to for consideration by Cabinet prior to Council.

- (i) The deletion from the Capital Programme of Dedworth Community Café on the basis that its costs may exceed the capital programme provision and that there are concerns around the extent that it will be self-funding.
- (ii) The addition to the Current Capital Programme for 2019/20 of £100,000 for Ascot High Street Public Realm and Highway Improvements Design Study

4.1.8 Finally the Council has to set a clear strategy for funding its capital programme and assess the longer term affordability of its capital investment. This is set out in Annex D, the Treasury Management Strategy and Prudential Indicators.

## **5. RISK MANAGEMENT**

5.1 Given the level of financial uncertainty and current service pressures, there is clearly a risk that the current budget may prove difficult to deliver.

5.2 This risk has been mitigated by trying to ensure that budget estimates are realistic and reflect current activity, along with known demographic and economic pressures.

5.3 A key risk for the council is that its finances are not sustainable in the long term and it does not have enough reserves to enable it to effectively manage the financial risk that it faces in the medium term.

5.4 The budget strategy sets out the steps that the council needs to take as a matter of urgency to make its finances more sustainable. This includes the need to build its reserves to a more realistic level in the medium term.

## **6. POTENTIAL IMPACTS**

8.1. This report contains proposals related to staff or service provisions and may involve changes to policy or service delivery.

## **7. CONSULTATION**

9.1. Consultations have taken place with the local chambers of commerce in February 2020.

9.2. Overview and Scrutiny Panels have received fees and charges, capital and savings relating to their portfolio

## **8. TIMETABLE FOR IMPLEMENTATION**

10.3. Residents will be notified of their council tax in March 2020. Budgets will be in place and managed by service managers from 1 April 2020.

**Table 3: Implementation timetable**

<b>Date</b>	<b>Details</b>
By 31 March 2020	Residents notified of their Council Tax.
1 April 2020	Budgets will be in place and managed by service managers.

## 11. APPENDICES

11.1. The table below details the Annexes to this report

Annex	
A	Council's proposed Capital Programme for 2020/21 – 2022/23 and Capital Strategy 2020/21 – 2024/25
B	Fees and Charges 2020/21
C	Revenue Budget 2020/21
D	Treasury Management Strategy & Prudential Indicator Report 2020/21

## 12. BACKGROUND DOCUMENTS

12.1. None

## 13. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Hilton	Lead Member for Finance	28/01/20	28/01/20
Cllr Johnson	Leader of the Council	28/01/20	28/01/20
Duncan Sharkey	Managing Director	28/01/20	28/01/20
Russell O'Keefe	Director of Place	28/01/20	28/01/20
Terry Neaves	Interim Section 151 Officer	28/01/20	28/01/20
Elaine Browne	Head of Law	28/01/20	28/01/20
Nikki Craig	Head of HR, Corporate Projects & ICT	28/01/20	28/01/20
Louisa Dean	Communications	28/01/20	
Kevin McDaniel	Director of Children's Services	28/01/20	29/01/20
Hilary Hall	Director of Adults, Commissioning & Health	28/01/20	28/01/20
Karen Shepherd	Head of Governance	28/01/20	28/01/20
David Cook	Democratic Services Team Manager	28/01/20	29/01/20

## REPORT HISTORY

Decision type:	Urgency item?	To Follow item?
Key decision	No	Not applicable
Report Author: Terry Neaves, Interim S151 Officer, 01628 796222		