

SIGNED OFF BY	Interim Head of Finance
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TO	Executive Overview & Scrutiny
DATE	Tuesday 28 July 2020 Thursday 22 October 2020
EXECUTIVE MEMBER	Councillor Tony Schofield, Portfolio Holder for Finance

KEY DECISION REQUIRED	Yes
WARDS AFFECTED	(All Wards);

SUBJECT	Medium-Term Financial Plan 2021/22 to 2025/26
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RECOMMENDATIONS
(i) That the Medium-Term Financial Plan be adopted as the framework for the budget elements of service and financial planning for 2021/22 onwards.
REASONS FOR RECOMMENDATIONS
The Council is required to set a budget by 11 March each year. This report and the associated documents will support this obligation for 2021/22.
EXECUTIVE SUMMARY
The purpose of this report is to set out the background and context for the budget elements of service and financial planning for 2021/22 onwards. It provides an early opportunity for Executive to consider the factors that will be taken into account when preparing draft budget estimates that are scheduled to be reported in November.
The report will be considered at the meeting of the Overview & Scrutiny Committee on 22 October 2020 and their feedback and questions will be taken into consideration when preparing draft budget proposals.

Executive has authority to approve the above recommendations.

STATUTORY POWERS

1. The Local Government Act 1992 places a requirement on Councils to set the following year's Council Tax by 11 March each year. The Local Government Act 1972, as part of proper financial management, requires a Council to set the associated annual budget requirement. This report is part of that process.
2. Section 65 of the Local Government Finance Act 1992 requires the Council to consult representatives of those subject to non-domestic rates in the Borough about its proposals for expenditure for each financial year
3. Regulations on levying council tax on empty properties are set out in the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

BACKGROUND

4. The Council has a well-established service and financial planning process that details the approach and timescales for development of budget proposals for the following financial year.
5. The process is subject to regular review to ensure that it continues to meet requirements.
6. The attached Medium-Term Financial Plan (MTFP) document has been prepared in response to Members' requests for sight of key budget information earlier in the budget-setting process.

KEY INFORMATION

MTFP Details

7. The MTFP provides an update on the Council's budget position. It follows on from the Budget Report 2020/21 to Executive in January and the Council Tax recommendations to Full Council in February.
8. It covers the following:
 - Objectives and priorities for the 2021/22 budget;
 - Context to budget-setting, including updates on the national economic forecast, local government funding, Corporate Plan priorities and specific factors to be taken into account when developing budget proposals for 2021/22;
 - Key budget information, including the 2019/20 budget outturn position, current year budgets and forecast new budget pressures and saving opportunities;
 - Updates on the capital programme and treasury management;

- Reserves and Fees & Charges policies
- Council tax policies (empty properties)
- Information about the service and financial process and budget-setting timetables;
- A summary of budget risks and sensitivities and how they will be managed.

9. It also includes early forecasts on the financial implications for this Council of the COVID-19 pandemic.

OPTIONS

10. The Executive can accept, amend or reject any or all of the MTFP information and request that other factors are taken into account when preparing 2021/22 budgets.

LEGAL IMPLICATIONS

11. It is a legal requirement that the Council set a balanced budget which it can deliver.

FINANCIAL IMPLICATIONS

12. These are addressed throughout the report and Annex.

EQUALITIES IMPLICATIONS

13. This report provides background and context for the budget elements of service and financial planning activities of the Council. There are no equalities issues arising directly from the MTFP or accompanying policy documents. Where individual changes, projects or policies are developed, equalities impact assessments will be carried out by the responsible officer(s).

COMMUNICATION IMPLICATIONS

14. There are no communications implications arising directly from this report. The budget proposals will be communicated with key stakeholders as they are developed.

HUMAN RESOURCES IMPLICATIONS

15. There are no human resources implications arising directly from this report. Council employees and their representatives will be consulted on budget proposals that have staffing implications.

RISK MANAGEMENT CONSIDERATIONS

16. These are addressed throughout the report and in Annex 1.

OTHER IMPLICATIONS

17. None

CONSULTATION

18. As part of the budget setting process, budget proposals will be circulated to the business community via the monthly Business e-bulletin (which has in excess of 1,500 recipients).
19. Savings and growth proposals will be considered by the Budget Scrutiny Panel of the Overview & Scrutiny Committee in December 2020. The conclusions and recommendations of the Panel and the Committee are reported to the Executive.

POLICY FRAMEWORK

20. Approval of the annual Revenue Budget, determination of the Council Tax and approval of the Capital Programme are functions of the full Council under the Council's constitution (Article 4.12).
21. The budget reflects the priorities in the Council's Corporate Plan and puts in place resources to deliver these priorities.
22. The recommendations in this report are a key decision because they form part of the annual service and financial planning process that lead to recommendation of the annual budget and council tax to full Council.

BACKGROUND PAPERS

- *Budget 2020/21 & Capital Programme 2020 to 2025, report to Executive, 30 January 2020*
- *Treasury Management Strategy 2020/21, approved under delegated authority, April 2020*
- *Capital Investment Strategy 2021/22, Report to Executive, 28 July 2020*