

Agenda Item 43.

TITLE	Medium Term Financial Plan 2021-24
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 13 October 2020
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

To deliver on the priorities within the Council's Corporate Plan whilst maintaining a financially viable Council.

RECOMMENDATION

To consider the report and identify areas of productive exploration.

SUMMARY OF REPORT

The Council annually undertakes a budget setting process to determine its investment priorities and spending reductions in arriving at a balanced budget. The strategic context, including the budget setting approach is the first consideration for Overview and Scrutiny in this year's process.

Background

The Council annually undertakes its budget setting process for all its financial activities including General Fund Revenue Account (funded by primarily by Council Tax), HRA (funded by tenants), Schools (funded by Government) and Capital (funded by various capital resources). An overview of these funds is provided in the MTFP, last approved by Full Council in February 2020.

Last year's budget setting process incorporated and benefited from considerable consideration by the Overview and Scrutiny committee. It is intended that a similar approach is adopted again for this year's budget cycle.

Analysis of Issues

The Budget Strategic Overview (Appendix A) focusses on the General Fund Revenue Account and sets out the national and local context in which the budget will be set. It also shows key risks faced by the Council, most notably the unknown full extent of the COVID-19 impact.

The figures presented provide a summary of growth pressures and savings by department, followed by Corporate Financing considerations. Although much work has already been undertaken in the attempt to achieve a balanced budget, during unprecedented challenging circumstances, it should be taken in the context that the budget setting process is at a formative stage. Further action will be taken, where possible, to reduce costs, increase efficiencies and generate new lines of income through activities such as:

- Demand Management
- More effective Contract Management
- Procurement
- Commercial Opportunities
- Grant Maximisation
- Invest to Save/Contain

It should be noted that the Year 1 2021/22 budget position would already balance (with a transfer from reserves), whilst leaving General Fund Balances at a sufficiently safe level. This is of course subject to the outcome of the Local Government Finance settlement which is unlikely to be announced until December 2020.

Wokingham Borough Council remain the lowest funded Unitary Authority per head of population and the Council should do all it can to make representations for a fair settlement in December 2020 and more significantly a fair Government funding settlement the following year, which is expected to cover a 4 year period.

Incorporated in the summary figures, is the considerable investment in priority services for the Council, in particular, an ambition to attain a stepped improvement in our Children's Services (a rating of Good by Ofsted). The details of specific budget investment proposals, and savings will be presented to this Overview and Scrutiny Committee in accordance with the timetable (Appendix A).

A business case template will be completed for all submissions over £50k and will accompany the budget proposals presented to this Committee, in the way they were last year.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See other financial implications	Y	R
Next Financial Year (Year 2)	See other financial implications	Y	R
Following Financial Year (Year 3)	See other financial implications	Y	R

Other financial information relevant to the Recommendation/Decision

There are no financial implications associated with the scrutiny process, however, the full MTFP, when submitted to Council in February 2021, will have to represent a balanced budget.

Cross-Council Implications

This is in respect of budgets across all Council services.

Public Sector Equality Duty

Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required.

Not at this stage of consideration but equality impact statements will be required before specific proposals are agreed and implemented.

List of Background Papers

MTFP 2020-23

Contact Graham Ebers	Service Resources & Assets
Telephone No Tel: 0118 974 6557	Email graham.ebers@wokingham.gov.uk

This page is intentionally left blank