

**Agenda Item No:**

**Report To:** Overview and Scrutiny Committee



**Date of Meeting:** 9 February 2021

**Report Title:** Report of the Budget Scrutiny Task Group

**Report Author & Job Title:** Abi Moffatt  
Policy and Scrutiny Officer

**Portfolio Holder** Cllr. N Bell  
**Portfolio Holder for:** Finance and IT

**Summary:** The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the council's draft 2021/22 budget over four meetings. The Task Group have a made number of recommendations that they believe will assist in managing any budgetary risks in the coming year.

**Key Decision:** NO

**Significantly Affected Wards:** None specifically

**Recommendations:** **The Overview and Scrutiny Committee endorse the recommendations of the Budget Scrutiny Task Group to the Cabinet as follows:**

- I. The council's draft budget is sound and deliverable as can be at this time, recognising that the economic impact of Covid-19 is yet to be fully determined.**
- II. It is recognised that there is sufficient reserves to manage the economic risks to the 2021/22 budget. It is recommended that these reserves are maintained particularly given the current uncertainties in the economy.**
- III. To continue to monitor the performance of the council's commercial income units through regular budget monitoring reports whilst businesses recover from the impacts of Covid-19.**
- IV. Additional funding should be allocated towards the emerging Carbon Neutrality action plan, to ensure that the council is able to deliver its pledge to become carbon neutral.**
- V. Cabinet should consider a one-off grant to the disproportionately affected parishes from the removal of Council Tax Support grant to help smooth the transition to full removal of the Council Tax Support Grant.**

<b>Policy Overview:</b>	Under the council's Constitution the O&S Committee has a duty to scrutinise the council's draft Revenue and Capital Budgets.
<b>Financial Implications:</b>	As noted in the report
<b>Legal Implications:</b>	As Policy Overview above
<b>Equalities Impact Assessment:</b>	Not Required
<b>Data Protection Impact Assessment:</b>	Not Required
<b>Risk Assessment (Risk Appetite Statement):</b>	The Task Group have scrutinised the council's financial risks.
<b>Sustainability Implications:</b>	Not Required
<b>Other Material Implications:</b>	As noted in the report
<b>Exempt from Publication:</b>	<b>NO</b>
<b>Background Papers:</b>	<b>Draft 2021/22 budget</b> , report to Cabinet 17 December 2020 <b>O&amp;S Budget Scrutiny Task Group Minutes</b> for the following dates: 18/01/21, 19/01/21 and 21/01/21.
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## **Report Title: Report of Budget Scrutiny Task Group 2021/22**

### **Introduction and Background**

1. In accordance with the council's Constitution, the Overview and Scrutiny Committee has a duty to scrutinise the council's draft Capital and Revenue Budgets. The Committee constituted a Task Group made up of five Members to undertake this work, and presents its findings of the draft Budget for 2021/22 within this report.

### **Report of the Chairman of the Budget Scrutiny Task Group**

2. I would like to express thanks to members of the Task Group and all of the officers involved with scrutinising the proposed budget for 2021/22. The Group were grateful for the hard work and time that officers had taken to prepare various presentations and reports regarding their service. I would also like to thank the Portfolio Holders and other Members who attended the meetings.
3. The economic impact of Covid-19 on local authorities is yet to be fully determined as national restrictions continue. This has created some uncertainties for the council's budget during the next financial year. Despite this, there is a confidence that the draft budget is sound and able to deliver the council's recovery plan whilst also ensuring that there is sufficient reserves to mitigate any economic risks to the budget.

### **Summary**

4. The Overview and Scrutiny Committee would like to thank all the Officers, Portfolio Holders and Lead Members who attended the Task Group meetings. The sessions yielded much information on the financial and resource challenges facing the authority and the Task Group focused on a number of key risks relating to the achievability of next year's budget.
5. The draft budget for 2021/22 was presented to the Task Group at its first meeting; this included all service budgets and financial risks. The purpose of this session was to assist Members in determining which areas to dedicate additional scrutiny time, these included the following:
  - a. The Planning service including the budget risk regarding issues at Stodmarsh.
  - b. Savings proposals relating to vacant posts, staff changes and the impact on service delivery.

- c. The risk to commercial income in light of Covid implications
  - d. The impact of proposed operational savings on the delivery of council services and specifically the Legal department.
  - e. Details of funding for council projects.
  - f. Parish Council grants savings proposal
6. Outside of the initial meeting, some Members requested to see some more information on the following, which were sent separately to the meeting agendas:
- a. Mayoral details
  - b. Cultural projects
  - c. Draft fees and charges

## Consultation

7. The council's Management Team have since seen the recommendations made by the Task Group and a summary of their advice to the Cabinet has been tabled below:

No.	Recommendation	Summary	Management Team Advice
1	The council's draft budget is sound and deliverable as can be at this time, recognising that the economic impact of Covid-19 is yet to be fully determined.	The Task Group agreed that at present the council's draft budget is deliverable. However, Members agreed that there is much economic uncertainty whilst the council recovers from the covid-19 crisis and recognises that this is an ongoing situation.	<b>Accept recommendation.</b>  As we recover from the impact of Covid-19, there will be further clarity over the council's economic position.
2	It is recognised that there is sufficient reserves to manage the economic risks to the 2021/22 budget. It is recommended that these reserves are maintained particularly given the current uncertainties in the economy.	Members understood that having sufficient reserves was vital in light of the economic uncertainty regarding next year's budget. It was accepted that reserves could be used if needed.	<b>Accept recommendation.</b>  As we recover from the impact of Covid-19, there will be further clarity over the council's economic position.
3	To continue to monitor the performance of the council's commercial income units through regular budget monitoring reports whilst businesses recover from the impacts of Covid-19.	It was agreed that a prudent view had been undertaken on the future of commercial income and Members agreed that there was a need to keep regular monitoring of this as businesses recover from Covid-19 impacts.	<b>Accept recommendation.</b>  Performance of the council's commercial income will continue to be monitored via the budget monitoring reports.

4	Additional funding should be allocated towards the emerging Carbon Neutrality action plan, to ensure that the council is able to deliver its pledge to become carbon neutral.	The Task Group understood that a Corporate effort was required to achieve the targets set out within the Action Plan, and felt additional resources were required to deliver the target.	<p>In order to quantify the additional funding needed and develop a funding strategy for our Carbon Neutral Strategy, two important assessments need to be undertaken to cost and prioritise the Carbon Neutrality Action Plan. The first being an assessment of our own estate in terms of business as usual emissions to 2030 and a set of options for consideration by Members to take the Council to our net zero carbon target. This will include modelled capital costs, carbon savings and financial benefits. A stock conditions survey is also planned to assess HRA stock. It is therefore recommended, that the recommendation be changed as follows:</p> <p><b>That assessments are undertaken of the councils own estate and the council's Housing Stock in order to identify a costed pathway to achieving our net zero carbon emissions target.</b></p>
5	Cabinet should consider a one-off grant to the disproportionately affected parishes from the removal of Council Tax Support grant to help smooth the transition to full removal of the Council Tax Support Grant.	Members spoke in particular about the detrimental effect the savings proposal would have on Parishes in deprived areas and wondered whether there was any way to spread the savings proposal over a longer period to ease the pressure on those Parish Councils that were going to struggle the most.	<p><b>Accept recommendation.</b></p> <p>A one-off grant will help parishes transition to the full removal of the Council Tax Support Grant.</p>

## Wrap Up

8. To conclude the Budget Scrutiny sessions, the Chairman of the Task Group gave the opportunity for Members to discuss any outstanding issues regarding the budget and a summary presentation was shown to Members to relay some of the key findings of the last few budget scrutiny meetings.

## Conclusion

9. The recommendations of the Budget Scrutiny Task Group are designed to support the management of potential risks to the 2021/22 budget. Endorsing the Task Groups recommendations will assist with ensuring the draft budget is sound and deliverable.

## **Contact and Email**

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