

Extract from the draft minutes of the Cabinet meeting on 29 January 2020

412. 2020/21 Revenue Budget, New Strategic Priorities and the Medium Term Financial Forecast

The Assistant Director for Corporate and Improvement Services submitted a report a copy of which had been circulated to each Member together with the draft recommendation from the Scrutiny Panel meeting of 28 January 2020.

Councillor Davies, Chair of the Scrutiny Panel, attended and addressed Cabinet to introduce the recommendations from the Scrutiny Panel. In addition, the Panel had considered the wording in paragraph 6.12 of the report that the release of the latest instalment of £350K had been postponed was incorrect and should be clarified going forward. The Panel had also discussed the Town Fund and the potential impact that this could have on strategic priorities if the bid should be successful.

Councillor King, Portfolio Holder for Business and Resources, thanked the Scrutiny Panel for their comments. It was acknowledged that further feasibility work was required on the New Strategic Priorities and this would be provided. There were a number of significant variables which could have an impact, including the Town Fund bid, and priorities would change as matters progressed. A further report would be submitted to Council alongside the budget report, providing further information.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that in respect of the wording of paragraph 6.12, it was accepted that the wording of the report should have stated that Council had not agreed to release the funds referred to in the report.

Councillor King presented the report. The budget report was an enabler that would allow the Council to meet its statutory requirements and its ambitious objectives. It was a prudent budget which would maintain sound reserves. The borrowing proposals were sound and were at the median level for local authority borrowing. The proposed Council tax rise was modest and the overall rise over recent years was well below the level of inflation.

RESOLVED that:-

- (a) The 2020/21 Revenue Budget and Medium-Term Financial Forecast as set out in Appendices A, G and H of the Assistant Director's report be approved.
- (b) The use of General Fund balances and reserves to make a £2.805m one off pension fund deficit payment for 2020/23 as set out in Section 7 of the Assistant Director's report be approved.
- (c) Revenue budget provision in 2020/21, 2021/22 and 2022/23 be made to meet the cost of the pension deficit payment for 2023/24 as set out in Section 7 of the Assistant Director's report.
- (d) The pension 'pass through' arrangement from April 2019 for Amphora employees as set out in Section 7 of the Assistant Director's report be approved and authority for completion of the final agreement be delegated to the Portfolio Holder for Business and Resources in conjunction with the section 151 Officer.
- (e) The allocation of £500k in the 2020/21 budget for the Local Plan be approved, noting that use will be dependent on the Planning Inspectorate hearing outcomes and the consequent way ahead for garden communities, North Essex Garden Communities Ltd or alternative approaches.
- (f) The Capital Strategy and Capital Programme set out in Appendix B of the Assistant Director's report be approved.
- (g) The budget resilience statement set out in Appendix D of the Assistant Director's report and the forecast level of reserves and balances set out in Appendix I of the Assistant Director's report be noted.
- (h) The Treasury Management Strategy Statement and prudential indicators set out in Appendix E of the Assistant Director's report be approved.
- (i) *RECOMMENDED to COUNCIL* the 2020/21 revenue budget requirement of £24,514k.
- (j) *RECOMMENDED TO COUNCIL* Colchester's element of the Council Tax at £195.57 per Band D property being an increase of £4.95 (2.6%).

(k) Care leavers treatment as designated persons for council tax purposes removing any council tax liability be approved, in accordance with Section 13 of the Assistant Director's report.

(l) The 2020/21 implementation agreed in 2019 Budget Setting of a 200% council premium for properties empty over five years be noted.

(m) The recommendations from the Scrutiny Panel be accepted.

REASONS

The Council is required to determine its annual budget requirement and set a council tax by 11 March preceding the new financial year.

The Chief Finance Officer must report to the Authority on the robustness of the estimates used to calculate its budget requirement and the adequacy of the proposed reserves.

ALTERNATIVE OPTIONS

No alternative options were proposed.