

**Extract from the draft minutes of the Cabinet meeting of 27 January 2021**

**536. Budget 2021/22 and Medium-Term Financial Forecast**

The Chief Operating Officer submitted a report a copy of which had been circulated to each Member together with the draft resolution from the Scrutiny Panel meeting of 26 January 2021.

Councillor King, Portfolio Holder for Business and Resources, introduced the report and expressed the Cabinet's thanks to the Council's Finance team and service managers for their help in developing the budget. The proposed budget for 2021-22 and the Medium-Term Financial Forecast (MTFF) had been subject to constructive and robust scrutiny by the Scrutiny Panel and their recommendation was welcomed. The budget had been informed by a series of cross-party budget workshops and there a clear understanding of the challenges faced both in the short and medium term. As requested by the Scrutiny Panel a further programme of workshops would be held, and the car parking assumptions had been checked and were robust.

The budget proposed a strategy of reducing costs, organisational transformation and raising income in order to deliver a balanced budget. The Council would be looking at new ways of working, how it worked with partners to deliver services and how it managed its assets such as Rowan House. Whilst the budget did involve the use of reserves, the Council would still retain considerable reserves of over £15 million.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that the administration had taken a transparent approach to the budget setting process through the budget workshops. The impact of the coronavirus pandemic had made it a particularly challenging budget, and the Council had not received all the support it had been promised by central government. However, the budget still enabled the Council to support its strategic priorities such as building homes, supporting communities and helping the arts and heritage sectors. This would help issues of inequality, which had been exacerbated by the pandemic, raised by the Scrutiny Panel.

*RESOLVED* that:-

(a) The 2021/22 Revenue Budget and revised Medium Term Financial Forecast as set out in Appendix A of the Chief Operating Officer's report be approved.

(b) The budget robustness statement and forecast level of balances set out in Appendix B of the Chief Operating Officer's report be noted.

(c) The Treasury Management Strategy 2021/22 to 2024/25 set out in Appendix C of the Chief Operating Officer's report be noted.

(d) *RECOMMENDED TO COUNCIL* the 2021/22 revenue budget requirement of £20.623m as set out in Table E1 in Appendix E of the Chief Operating Officer's report

(e) *RECOMMENDED TO COUNCIL* Colchester's element of the Council Tax at £200.52 per Band D property being an increase of £4.95.

(f) The officer delegation to write off bad debts be increased to £10k as per Section 12 of the Chief Operating Officer's report, subject to the approval of 19 January 2021 Governance and Audit Committee.

(g) The proposed government changes to external audit arrangements set out in Section 8.17 to 8.20. of the Chief Operating Officer's report be noted.

(h) the following paragraph be approved and added to section 14 of the 'Budget 2021/22 and Medium-Term Financial Forecast' report:

(i) All budget measures will be assessed for their likely impact on inequality, reflecting the Council's commitment to addressing the inequality existing within our Borough, as highlighted by the effects of the Covid-19 pandemic.

## *REASONS*

To balance the 2021/22 budget and revise the Medium-Term Financial Forecast.

## *ALTERNATIVE OPTIONS*

No alternative options were presented to Cabinet.