

Extract from the Adur Executive - 2 February 2021

A EX/005/20-21 Budget Estimates 2021/22 and setting of the 2021/22 Council Tax

The Executive had before it a report from the Director for Digital, Sustainability and Resources, attached to these minutes as item 5.

The report was the final budget report of the year, the culmination of the annual budgeting exercise, and asked members to consider:

- The final revenue estimates for 2021/22 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2021/22, prior to its submission to the Council for approval on the 18th February 2021. This would be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Executive.

The report outlined the medium term financial challenge through to 2025/26, discussed the impact that the pandemic was having on the Council's finances over the next year, and set out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. This had been updated to include the latest information regarding the impact of the pandemic on the Council financial position. The current budget strategy was having a significant effect on how the Council would be funded in the future with increasing income generated from commercial income and rents. Following the delay to the fairer funding review, the challenge still remained significant for 2022/23, however the delivery of the budget strategy would ensure that this was met.

The budgets reflected the Councils' ambitions set out in *Platforms for our Places: Going Further*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updated members about the impact of the draft 2021/22 settlement.

The major points raised within the report included:

- A full update on the impact of settlement. The Council should

prepare itself for a continuation of the reduction in Government resources for 2022/23 and beyond (see section 4.2);

- Creation of a Covid 19 contingency budget from resources provided by Government to fund both covid related risks and any associated recovery actions throughout 2021/22;
- The proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places - Going Further and And Then*;
- Detailed the proposals to invest in services outlined in Appendix 2;
- The Executive will need to consider whether to increase Council Tax by 2.0% or by a lower amount (paragraph 5.9).

The budget was analysed by Executive Member portfolio. In addition, the draft estimates for 2021/22 had been prepared, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that did not impact either on the Budget Requirement or the Council Tax Requirement).

The Police and Crime Commissioner (PCC) had already been informed that the referendum criteria for this year was an increase of £15.00 per Band D property which would be equivalent to an increase of 7.5%. The proposed 2021/22 budget was due to be considered by the Sussex Police and Crime Panel (PCP) on 28th January 2021. If the proposals are vetoed by the PCP, revised proposals would be considered by the Panel on the 15th February 2021 at which point the Commissioner would be in a position to confirm the Council Tax for 2021/22 just in time for Council on the 18th February 2021.

The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 2%. Those Councils with responsibility for Adult Social Care could increase Council Tax by up to a further 3% over the next two years. Therefore a maximum Council Tax increase of 5% for Councils with social care responsibilities was allowed for 2021/22.

The precept for West Sussex County Council had not yet been finalised and would not be confirmed until 12th February 2021. The formal detailed resolution setting the overall Council Tax for next year would be presented direct to the Council Meeting on 18th February 2021.

Members thanked Officers for the report, welcomed the Covid Grant being set aside to assist and encourage economic recovery in the District and acknowledged the importance of data management moving forwards.

It was proposed and seconded that the Adur District Council share of Council Tax be increased by an average of 1.98% which would increase the average annual cost of

a band D to £311.40. The final amount charged in each area would depend on whether special expenses are chargeable and the relevant parish precepts.

Decision

The Executive:-

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) recommended to Council the draft budgets for 2021/22 at Appendix 5, as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,581,300 which included provision for the proposals in Appendix 2; and
- (c) recommended to Council an average increase of 1.98% in Council Tax, making the average Band D £311.40 for Adur District Council's requirements in 2021/22, as set out in paragraph 5.10;
- (d) recommended to Council that special expenses of £24.39 per Band D equivalent, to be charged in all areas of the District except Lancing;
- (e) approved the Council Tax base of 21,232.80 for 2021/22 as set out in paragraph 12.3.

Reason for Decision

Statutory requirement to set a budget.