

---

## **Performance and Finance Scrutiny Committee**

**20 January 2021**

### **Revenue Budget 2021/22, Capital Strategy 2021/22 to 2025/26, and Treasury Management Strategy Statement 2021/22**

#### **Report by Director of Law and Assurance**

---

### **Summary**

The draft budget for 2021/22 is presented to the Committee for preview and endorsement ahead of the agreement and approval of the Budget at Cabinet on 22 January 2021 and County Council on 12 February 2021. The attached report is presented by the Director of Finance and Support Services. Any issues or concerns raised by the Committee will be considered by the Cabinet ahead of approval at County Council.

### **Focus for scrutiny**

The Committee should consider the detail included within the attached report and appendices presented by the Director of Finance and Support Services in order to agree any comments or issues it wishes the Cabinet to take into account when it considers the draft Revenue Budget 2021/22, draft Capital Strategy 2021/22 to 2025/26 and draft Treasury Management Strategy Statement for 2021/22.

Key areas for scrutiny include:-

- Ensuring that the budget presented, including the additional investment to meet demand and other pressures and the proposed savings, are realistic and enable the achievement of the priorities and objectives agreed in the West Sussex Reset Plan whilst also ensuring that the County Council remains financially resilient.
- That the increase in Council Tax is justified and appropriate to meet the needs of the residents of West Sussex
- That the Capital Programme and Strategy meet the anticipated future needs of the County Council
- That the Treasury Management Strategy ensures financial risks are minimised, security of capital is ensured and that the borrowing needs of the capital programme are met within the authorised borrowing limit and the efficient management of funds.
- That the proposed changes to fees and charges:-
  - meet the objectives of cost recovery or meet other financial or policy objectives,
  - are reasonable and meet the needs and priorities of the Council, and
  - that the impact of changes have been considered, with any unintended consequences, and mitigations to address these, identified.

The Chairman will summarise the output of the debate for consideration by the Committee.

---

## **Details**

The draft Revenue Budget for 2021/22, the draft Capital Strategy 2021/22 to 2025/26 and the draft Treasury Management Strategy Statement 2021/22 are set out in Appendix A to this report. The Committee is asked to review the reports, provide any comments for consideration at the Cabinet meeting to be held on 22 January 2021 and endorse the budget being presented. The Committee should focus on ensuring that the budget presented is realistic and enables the achievement of the priorities and objectives agreed in the West Sussex Reset Plan.

2020 has been an extraordinary year, with the Covid-19 pandemic providing a number of financial challenges for 2020/21 and beyond. The impacts have been felt both locally and nationally, making this year's budget setting process challenging. Providing a balanced budget proposal has therefore involved a combination of a number of factors;

- Savings Proposals.
- Demand Pressure Estimates.
- Local Government Finance Settlement.
- The rate of inflation as reflected by the Consumer Price Index in September 2020.
- The outlook for future Council Tax and Business Rates collection.

The net revenue expenditure proposed within the report is £624.833m which is an increase from 2020/21 of £31m (5.2%). This reflects spending pressures such as, pay and prices, costs arising from the National Living Wage and the pressures faced in Adults' and Children's Social Care Services.

The report proposes a Council Tax increase of 4.99%; 1.99% core Council Tax plus an additional 3% for Adult Social Care.

Further background and context to this item for scrutiny are set out in the attached reports (listed below), including resource and risk implications, Equality, Human Rights, Social Value, Sustainability and Crime and Disorder Reduction Assessments.

Comments from the 14 January 2021 Member Day session on the budget are also presented for the committee to consider, Appendix B, to follow.

### **Tony Kershaw**

Director of Law and Assurance

### **Contact Officer**

Susanne Sanger, Senior Adviser (Democratic Services), 033 022 22550

## **Appendices**

- Appendix A– Revenue Budget 2021/22, Capital Strategy 2021/22 to 2025/26 and Treasury Management Strategy Statement 2021/22
  - Annex 1 - Budget Pack:
    - Appendix 1 – Summary of Revenue Budget and Precept 2021/22
    - Appendix 2 – Analysis of Changes
    - Appendix 3 – Balancing the Budget
    - Appendix 4 – Grants Towards Specific Services
    - Appendix 5 – Reserves
    - Appendix 6 – Detailed Portfolio Pages
    - Appendix 7 – Fees and Charges
  - Annex 2(a) – Capital Strategy 2021-2041
    - Appendix A - Capital Programme 2021/22 - 2025/26
    - Appendix B - Minimum Revenue Provision (MRP) Statement – 2021/22
    - Appendix C - Illustrative External Debt/Internal Borrowing Projections
    - Appendix D - Graphical Illustrative of Debt Projections to 31 March 2071
    - Appendix E - Projects to be funded from flexible use of capital receipts
  - Annex 2(b) - Treasury Management Strategy Statement 2021/22
    - Appendix A – West Sussex County Council - Treasury Portfolio (31/12/2020)
    - Appendix B - Economic and Interest Rate Forecast (Link Group)
  - Annex 2(c) – Prudential Indicators 2021/22 to 2025/26
  - Annex 3 – Equality Impact Report: Budget 2021/22
- Appendix B – summary of comments from the Member Day held on 14 January 2021 for the committee to consider (to follow)

## **Background papers**

None