

MID SUFFOLK DISTRICT COUNCIL

COMMITTEE: Mid Suffolk Cabinet	REPORT NUMBER: XXXX
FROM: Councillor John Whitehead, Cabinet Member for Finance	DATE OF MEETING: 10 February 2020
OFFICER: Katherine Steel, Assistant Director, Corporate Resources Melissa Evans, Corporate Manager, Finance and Commissioning & Procurement	KEY DECISION REF NO. Item No.

GENERAL FUND BUDGET 2020/21 AND FOUR-YEAR OUTLOOK

1. PURPOSE OF REPORT

- 1.1 The report contains details of the revenue and capital budgets and the Council's strategic financial aim. The purpose of this report is to present the General Fund Budget for 2020/21 and four-year outlook.
- 1.2 To enable Cabinet Members to consider key aspects of the 2020/21 Budgets, including Council Tax and make any recommendations to feed into the final Budget report in February.

2. OPTIONS CONSIDERED

- 2.1 The General Fund Budget for 2020/21 and four-year outlook is an essential element in achieving a balanced budget and sustainable medium-term position. Setting a balanced budget for the coming year is a statutory requirement, therefore no other options are appropriate in respect of this.

3. RECOMMENDATIONS TO COUNCIL

- 3.1 That the General Fund revenue budget proposals for 2020/21 and four-year outlook set out in the report **and the updates tabled at the meeting** be endorsed for recommendation to Council on 27 February 2020.
- 3.2 That the General Fund capital budget proposals for 2020/21 set out in Appendix B in the report be endorsed for recommendation to Council on 27 February 2020.
- 3.3 That the General Fund Budget for 2020/21 is based on an increase to Council Tax of 1.66%, which equates to £2.76 per annum (5p per week) for a Band D property, to support the Council's overall financial position.
- 3.4 That from the 1st April 2020 properties that are unoccupied and unfurnished (Class C discount) receive a 25% reduction for the first 28 days as set out in section 11.

3.5 That the proposed Pay Policy Statement for 2020/21 as set out in section 12 be approved.

Summary of changes

The position for 2020/21 is a £2.027m surplus as well as transferring £1m to the Commercial Development Risk Management reserve. This is an improvement of £167k. A breakdown of the changes is shown below;

Description of change	2020/21
	£'000
Shortfall in funding / (surplus funds) February Cabinet	(2,860)
Public Health Funerals	10
S31 Business Rates Grant	(1)
Baseline Business Rates	(266)
Business Rates – levy	205
Business Rates – growth/pooling benefit	(74)
Business Rates – collection fund surplus	(120)
Employee Costs	38
Inflation	40
REVISED Shortfall in funding / (surplus funds) February Cabinet	(3,027)

The additional £167k will be transferred to the Growth and Efficiency Fund (GEF)

UPDATED Table 9: Forecast Budget Gap 2020/21 – 2023/24

	Mid Suffolk		
	2021/22	2022/23	2023/24
Including NHB			
Net Service Cost previous year	10,032	9,728	10,168
Cost Increases	59	607	730
Savings	(360)	(167)	(36)
Net Service Cost current year	9,728	10,168	10,863
Funding	(11,576)	(11,431)	(11,171)
Annual Deficit /(Surplus)	(1,849)	(1,263)	(308)
Cummulative Deficit/(Surplus)	(1,849)	(3,111)	(3,419)

	Mid Suffolk		
	2021/22	2022/23	2023/24
<u>Excluding NHB</u>			
Net Service Cost previous year	10,033	9,729	10,169
Cost Increases	59	607	730
Savings	(360)	(167)	(36)
Net Service Cost current year	9,729	10,169	10,863
Funding	(10,864)	(11,008)	(11,171)
Annual Deficit /(Surplus)	(1,135)	(839)	(308)
Cummulative Deficit/(Surplus)	(1,135)	(1,974)	(2,282)