

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2243

Record of Decision by Executive

Monday, 4 January 2021

Portfolio	Policy & Resources
Subject:	Finance Strategy, Revenue Budget and Council Tax 2021/22
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report provides an update on the Council's 5-year financial forecasts and makes recommendations regarding the revised revenue budget for 2020/21 and 2021/22.

This report gives the Executive the opportunity to consider the Council's 5-year financial forecasts as set out in the Medium-Term Finance Strategy (MTFS), revised service budgets for 2020/21 and proposed service budgets for 2021/22.

Revised General Fund Revenue Budget 2020/21

The revised general fund revenue budget for 2020/21 amounts to £15,905,100 for service budgets with other budgets totalling -£3,823,500 (including a use of general reserves of £690,200) and Government COVID funding of £2,993,300 giving an overall position of £9,606,500 which shows no increase from the base budget for 2020/21.

General Fund Revenue Budget 2021/22

The proposed general fund budget for 2021/22 totals £14,692,700 for service budgets along with -£3,823,500 for other budgets (including a use of general reserves of £1,902,500) and Government COVID funding of £751,000 giving an overall position of £10,118,200 which is an increase of £511,700 against the original budget for 2020/21.

5-Year Financial Forecasts

The 5-Year financial forecasts for 2020/21 to 2024/25 is predicting a funding shortfall by 2022/23. The Opportunities Plan approved last year is still predicted to address the shortfall and build in some capacity for future pressures and uncertainties.

Options Considered:

At the invitation of the Executive Leader, Councillor L Keeble addressed the Executive on this item.

As recommendation.

Decision:

RESOLVED that the Executive:

Financial Forecasts (MTFS)

- (a) approves the Medium-Term Finance Strategy for the period 2020/21 to 2024/25, as set out at Appendix C to the report;

Revenue Budgets

- (b) approves the revised 2020/21 general fund revenue budget, amounting to £9,606,500, as set out in Appendix A and B to the report; and
- (c) approves the base 2021/22 general fund revenue budget amounting to £10,118,200, as set out in Appendix A and B to the report;

Reason:

The proposed budgets and capital programme will continue to support delivery of the Council's services and corporate priorities whilst taking account of the continuing financial pressures.

The Medium-Term Finance Strategy forecasts a funding shortfall by 2022/23. An Opportunities Plan has been developed to address this and build in capacity for future pressures and uncertainties.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 4 January 2021