

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	13 JANUARY 2020
SUBJECT:	DRAFT REVENUE BUDGET 2020/21
PORTFOLIO HOLDER(S):	COUNCILLOR ROBIN W WILLIAMS
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LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

The final budget will not be approved by the full Council until 10 March 2020, however, at this point, the Executive is recommended to approve the following:-

- (i) To approve the Budget adjustments included in the Standstill Budget as set out in Paragraph 3 to 7 of the report in Appendix 1;
- (ii) To approve the standstill budget for 2020/21 of £142.203m and this should form the basis of the 2020/21 revenue budget;
- (iii) That the Executive determine the proposed increase in Council Tax for 2020/21, which will be subject to public consultation;
- (iv) After allowing for the proposed increase in Council Tax and the savings to be implemented, should any surplus funding be available, the Executive should determine how to use this surplus funding (para 10.5);
- (v) That the Executive should seek the opinion of the public on the proposed budget strategy.

The detailed report on the preparation of the 2020/21 standstill budget, the provisional settlement and funding the budget gap is attached as Appendices 1 – 4.

B - What other options did you consider and why did you reject them and/or opt for this option?

N/A

C - Why is this a decision for the Executive?

This matter is delegated to the Executive.

CH - Is this decision consistent with policy approved by the full Council?

Yes

D - Is this decision within the budget approved by the Council?

Yes

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Comments from the SLT have been incorporated into the report
2	Finance / Section 151 (mandatory)	n/a– this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	TBC
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	TBC
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
<ul style="list-style-type: none"> • Appendix 1 – Report on Draft Revenue Budget 2020/21 • Appendix 2 – Analysis of the Movement from the 2019/20 Final Revenue Budget to the 2020/21 Standstill Budget • Appendix 3 - 2020/21 Standstill Budget by Service • Appendix 4 – Potential Revenue Budget Savings for 2020/21 		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • Medium Term Financial Plan 2020/21 – 2022/23 – See Executive Meeting Agenda 16 September 2019 – Item 14 		

DRAFT REVENUE BUDGET 2020/21**1. INTRODUCTION**

- 1.1. The following report sets out the Executive's provisional revenue budget for 2020/21. The budget is prepared on the basis of the assumptions set out in the Medium Term Financial Plan (MTFP) approved by the Executive in September 2019, the provisional local government settlement, which was issued by the Welsh Government on 16 December 2019, and the proposed revenue savings which have been identified by the individual services and have been discussed at the various workshops that have taken place during the summer and autumn.
- 1.2. The provisional budget approved by the Executive will then be subject to a formal public consultation process, which will run from 14 January 2020 to 7 February 2020.
- 1.3. Following receipt of the final settlement figures on 25 February 2020, the final budget proposal will be subject to a review by the Scrutiny Committee on 27 February 2020, will be recommended for approval by the Executive on 2 March 2020, with the final 2020/21 budget being approved by the Council at its meeting on 10 March 2020.

2. MAIN ASSUMPTIONS ARISING FROM THE MEDIUM TERM FINANCIAL PLAN

- 2.1. The Medium Term Financial Plan sets out a number of assumptions and these assumptions have been taken into account in calculating the standstill budget for 2020/21. The standstill budget is a budget which provides resources to operate services at 2019/20 levels but updated to reflect any known changes outside the control of the services (committed changes) and to reflect the costs in 2020/21.
- 2.2. These assumptions have been factored into the standstill budget along with more detailed changes (committed changes) which allow for known increases in costs e.g. contractual commitments and minor budget corrections. The draft budget also allows for additional funding, known changes to grant funding and minor budget corrections deemed necessary to ensure that the Council's budget accurately reflects the costs it faces in 2020/21.

3. COMMITTED CHANGES

- 3.1. Committed changes are amendments which are taken into account in drawing up the standstill budget and they reflect an increase or decrease in costs which are outside the control of the Council or the individual service. The changes can include items of one off funding required or falling out of the budget, costs arising from legislative changes, changes in costs arising as a result of a tendering exercise, capital financing costs etc. The total adjustments made to the budget total £1,667k, details of the major changes are discussed in the paragraphs below.

3.2. Capital Financing

The capital financing budget is made up of 3 elements:-

- minimum revenue provision (MRP), which is a sum which is charged to revenue each year and ensures that the Council has sufficient funds available to repay external loans as they become due;
- external interest, which is the sum due in interest each year on the external loans which the Council has taken out to fund capital expenditure;
- interest received, which is the sum the Council generates in interest by investing surplus cash in accordance with the Council's Treasury Management strategy.

The capital financing budget is dependent on the value of external loans and the pace of the capital programme. During 2019/20, the school modernisation programme was put on hold and this has impacted on the level of new borrowing the Council has undertaken in 2019/20. As a result, both the forecast MRP and interest charges are lower in 2020/21 than in 2019/20 and allows a reduction of £92k in the budget. In addition, the increase in interest rates and the improved investment performance allows the interest received budget to be increased by £21k.

3.3. Pupil Numbers

Each year, the effect of the change in pupil numbers in the primary and secondary sectors is taken into account as part of the budget setting process. For 2020/21, this has resulted in an increase in the secondary sector of £146k but a decrease in the primary sector of £77k.

Up until 2018/19, the Council's Special School (Canolfan Addysg y Bont) funded 85 pupils. As part of the 2018/19 budget, an additional £78k was allocated in order to fund an additional 5 pupils. Since 2019/20, the budget has been changed to reflect the changes in pupil numbers. The MTFP anticipated an increase of around 15 pupils between September 2018 and September 2019, but the actual change only saw an increase of 1 pupil. The budget has been increased by £13k to reflect the change in pupil numbers.

3.4. Council Tax Reduction Scheme

Up until 2013/14, taxpayers eligible to receive a reduction in their Council Tax bills received this through the benefits system in the form of Council Tax Benefit, which was funded by the Department of Work and Pensions. In 2013/14, Council Tax Benefit was replaced by the Council Tax Reduction Scheme, with the funding for the scheme being transferred into the Revenue Support Grant. Initially, the scheme was fully funded but, as the level of Council Tax has risen and the number of claimants changed since 2013/14, it has been necessary for the Council to provide additional funding to meet the cost of the scheme (in addition to the sum provided in the Revenue Support Grant).

For 2019/20, the budget requirement was reassessed, taking into account the current level of expenditure, the trend in the caseload and an increase in the Council Tax for 2019/20 of 9.5%. This resulted in a decrease in the budget of £360k, to bring the overall budget to £5.389m.

During 2019/20, there has been an upturn in the caseload, which may be as a result of increased publicity for the scheme by Welsh Government and the increase in budgetary support which recipients of Universal Credit receive, which makes them more aware that they may have an entitlement to help with paying their Council Tax. The current forecast is that expenditure will exceed the budget by £341k and, as a result, the standstill budget has been increased by this amount in addition to an increase of £286k to reflect the potential increase in Council Tax (based on a 5% increase). This takes the overall standstill budget to £6.016m, although this budget will be reviewed further to take account of any further changes in the caseload and the final increase in Council Tax for 2020/21.

3.5. North Wales Fire & Rescue Service Levy

The Fire Service raises a levy each year which is allocated across the six North Wales Authorities based on population numbers, which vary each year between the 6 authorities. For 2020/21, an increase of 2% has been allowed for in the levy, which results in an increase in the budget of £71k, which takes the standstill budget to £3.596m. This budget will be adjusted once the final levy request is received from the Fire & Rescue Service.

3.6. Teachers Pensions

The Teachers' Pension fund was subject to its five year revaluation in 2019, with the new employer contribution rates being set for the 2019/20 financial year onwards at 23.6%, compared to the previous rate of 16.48%. The change was effective from 1 September 2019 and the 2019/20 budget was increased by £900k to reflect the 7 months of the financial year where the increased contribution rate applied. It will be necessary to include an additional £564k to reflect the full year effect of the change in the contribution rate. The Welsh Government have included an additional £0.87m in the settlement to assist with the funding of this additional cost. This was the value of the grant received in 2019/20, but does not cover the additional cost for a full financial year.

3.7. Parking Income

The Council will lose 2 car parking areas in 2020/21: Beaumaris Coach Park which transfers to Beaumaris Town Council as part of the agreement to transfer the Gaol and Courthouse, and Coed Cynrol Car Park in Menai Bridge, where the lease has ended and responsibility for the car park reverts back to Menai Bridge Town Council. The reduction in the number of car parks will have an impact on the income collected by the Council. This will require the car park income budget to be reduced by £58k to £520k.

3.8. Historic Pension Costs

The Council makes annual payments to the Local Government Pension Scheme and Teachers Pension Scheme arising from the early retirement of staff dating back to the 1970s, 1980s and 1990s. The numbers of pensioners to which the payment relates reduces each year as the former staff members pass away. This budget is, therefore, reduced to reflect the falling numbers of pensioners and, for 2020/21, the reduction is £112k.

3.9. I.T. Licensing Costs

In previous years, these costs had been treated as capital costs and funded from the capital budget. However, this treatment does not comply with the updated accounting code and the costs should be treated as a revenue cost. This increases the revenue budget by £250k but does release capital funding.

3.10. Others

A number of other budgets have been adjusted to reflect changes that have taken place during the year which are outside the control of the service, these include income budgets where the Service can no longer charge the income. The total net value of these adjustments amount to £240k.

4. CONTINGENCIES

4.1. As part of the budgeting process, a number of contingency budgets are built into the budget to cover fixed term costs, potential risks that may require funding during the year or as a general contingency which is utilised during the year as additional budget pressures arise or as unexpected events occur. The changes made to the contingency budgets are shown in Table 1 below:-

Table 1					
Movement in Contingency Budgets between 2019/20 and 2020/21					
		End Date	2019/20 Budget £'000	Proposed 2020/21 Budget £'000	Change £'000
Stem Regional Project	Earmarked	2021/22	38	38	-
Regional Growth Bid	Earmarked	TBC	50	50	-
Demand Risk	Earmarked	Ongoing	235	235	-
Salary and Grading	Earmarked	Ongoing	400	150	(250)
NDR Discretionary Rate Relief		Ongoing	60	70	10
General Contingency		Ongoing	399	400	1
TOTAL			1,182	943	(239)

- 4.2. The Salary & Grading Contingency has been included in the Council's budget for a number of years to meet the cost of early retirements and redundancies, as the Council and schools reduced the workforce in response to the reduction in funding. The improved financial position in 2020/21 allows the Council to reduce this budget, as it is not expected that it will be necessary to make significant reductions in staffing numbers in 2020/21.

5. STAFFING COSTS

- 5.1. Pay costs will change annually to reflect the changes in staff over the year (new staff being appointed to a different point on the pay scale), staff receiving annual increments and the pay award. The effect of each on the budget is detailed below:-
- 5.2. Staff increments and changes in posts has increased costs by £392k.
- 5.3. The Teachers pay award for the academic year commencing September 2019 was 2.75%, with a higher increase for newly qualified teachers, and this figure was higher than the sum allowed for in the 2019/20 budget. In 2019/20, Welsh Government awarded an additional grant to help meet this additional cost pressure. An additional £406k has been included in the standstill budget to adjust for the under provision for the pay award in the 2019/20 budget.
- 5.4. The pay award for non teaching staff from April 2020 and for teaching staff from September 2020 is unknown at this point and, therefore, the general rate of inflation of 2% has been allowed for. This adds an additional £1.257m to the overall pay budget.
- 5.5. The triennial valuation of the Local Government Pension Scheme was completed in November 2019, with the new employer contribution rates payable from 1 April 2020. At present, the contribution rate (primary rate) is 18.6% with an additional annual deficit payment of £1.294m, this is equivalent to an additional 4% contribution (secondary rate), giving a combined employer contribution rate of 22.6%. From April 2020, the primary rate will increase to 19.3% but the secondary rate will fall to 2.1%, giving a combined employer contribution rate of 21.4%. The reduction of 1.2% in the contribution rate will generate £362k in budget savings.

6. NON PAY INFLATION

- 6.1.** The Medium Term Financial Plan allowed for a level of general price inflation of 2.1%. The Consumer Prices Index (CPI), which is now widely recognised as the best measure of inflation, is currently 1.5% (as at November 2019) and is forecast to remain on or around 2% in 2020. However, the impact of Brexit is unknown and may result in an increase in inflation should the UK leave the EU with no deal agreed. It is, therefore, considered that an inflation rate of 2.1% is reasonable and this rate has been applied to all general supplies and services budgets. Where specific contracts have specific methods to determine the inflation to be applied, then that specific rate will have been applied to the appropriate budget.
- 6.2.** Over the last 3 years, a general 3% increase has been applied to non-statutory fees and charges budgets and this figure has again been applied in 2020/21, although services have the discretion to increase individual fees and charges by more or less than this figure, provided that their overall income rises by 3%
- 6.3.** The net increase of the adjustments for non pay inflation and non statutory income is £1.594m.

7. BUDGET PRESSURES AND DEMAND LED SERVICES

- 7.1.** The standstill budget is the budget required to provide the same level of service as in 2019/20, after adjusting for any known changes (as set out in paragraphs 3 and 4 above) and after adjusting for staffing changes and pay and price inflation (as set out in paragraph 5 and 6). However, in order to ensure that the budget provides a realistic level of funding, additional changes are required to reflect the current demand and any additional known budget pressures. The proposed changes are set out in the paragraphs below.

7.2. Adult Social Care

Members will be aware of the increased demand for Adult Social Care, with rising numbers of clients across all service types and, for 2019/20, the Service is expected to exceed its budget by £1.21m. In 2019/20, the Welsh Government provided the Council with 2 specific grants to help with the increasing costs, namely:-

Social Care Workforce and Sustainability Pressures Grant - £30m across Wales, £670k for Anglesey. This grant is increased to £40m in the provisional settlement, which will increase Anglesey's allocation by a further £234k.

Winter Pressures Grant - £371k was received by the Council in 2019/20 late in the financial year from the additional £17m allocated to Wales. Although this grant has been received previously, there is no indication that it will be received again in 2020/21.

As these grants are outside the local government settlement, it cannot be guaranteed that they will continue. It is also uncertain how the demand for services will change in the coming year. After allowing for the Social Care Workforce and Sustainability Pressures Grant, the underlying position is for an additional budget requirement. For the purposes of the 2020/21 revenue budget, £980k has been included in the service budget as additional funding but this may not be sufficient to meet the increasing demand for services and given the uncertainty over future grant funding.

7.3. School Transport

The costs of school transport (taxis and minibuses) has exceeded the allocated budget for a number of years, due to an increased demand for services. The Education Service has implemented a number of actions to try and reduce the cost, including rationalizing and retendering of routes, reviewing the policy and applying the policy more strictly, and these changes have reduced costs. However, the costs still exceed the budget by £250k and, without a correction of the budget in 2020/21, this budget will almost certainly overspend in 2020/21.

7.4. Secondary School Integration

This is a budget where the demand continues to grow. This budget is currently held centrally and not delegated to the 5 secondary schools. This can be considered as a weakness in the control and accountability surrounding this budget, as spending decisions are not taken by the budget holder. An additional £200k of funding would correct the budget position and would increase the possibility of reaching an agreement with the Secondary schools to delegate this budget to them.

7.5. Delegated Schools Budget

As part of the 2019/20 budget, a reduction of £800k was planned to the delegated schools budget, but this was deferred for one year and funded from the additional Teachers Pay Grant and 50% of the Teachers Pensions Grant. These grants have now been transferred into the settlement and would allow the Executive to reverse the budget reduction decision, if it chooses to do so.

7.6. NHS Funding Grant

A recent decision required local authorities to contribute to the cost of social care undertaken by nursing staff in Nursing homes. The additional cost was funded in 2019/20 by means of an additional grant from the Welsh Government. This grant has now been incorporated into the settlement and the additional £48k in funding has been incorporated into the Adult Services budget.

8. STANDSTILL BUDGET 2020/21

8.1. Based on all of the adjustments and assumptions detailed above, the standstill budget for 2020/21 totals £142.203m, an increase of £6.993m on the 2019/20 final budget. A summary of the changes made is attached as Appendix 2. A breakdown of the standstill budget by Service is attached as Appendix 3.

9. PROVISIONAL SETTLEMENT

9.1. The provisional settlement for Local Government in Wales, announced on 16 December 2019, shows an increase of £237m in the overall level of funding for Wales, which is equivalent to a 5.6% increase in cash terms. However, £53.2m relates to grants transferred in and, when the effect of these changes are adjusted for, the true figure shows an increase in funding of £183.8m, which is a 4.3% increase. The details are shown in Table 2 below:-

Table 2 2020/21 Provisional Settlement		
	Anglesey	Wales
	£'m	£'m
2019/20 AEF	95.791	4,237.431
Adjustment for the Change in the Taxbase	0.325	0.000
Previous Years Grants Transferred In / (Out)		
Teachers Pensions	0.887	39.112
Coastal Risk Management	0.000	0.151
NHS Funding - Nursing	0.048	1.900
Teachers Pay	0.273	12.018
2019/20 Adjusted AEF	97.324	4,290.612
Provisional AEF 2020/21	101.005	4,474.444
Increase in comparison to 2019/20 AEF	5.214	237.013
% Increase in comparison to 2019/20 AEF	+ 5.44%	+ 5.59%
Increase in comparison to 2019/20 Adjusted AEF	3.681	183.832
% Increase in comparison to 2019/20 Adjusted AEF	+ 3.78%	+ 4.28%

- 9.2. The population statistics used in the funding formula have been updated and Anglesey have seen a reduction in the AEF due to this change because the revised population figures for Anglesey were lower than the previous forecast. Some authorities have gained from this change, in particular Newport, and this explains why their allocation increased by 5.4%
- 9.3. The provisional settlement also includes details of a number of grants, although the individual allocations per Authority are not listed. The grants include the Social Care Workforce and Sustainability Pressures Grant which has increased from £30m to £40m. Anglesey will receive an additional £234k (approximate) from the increase in this grant (see paragraph 7.2 above).

10. THE FUNDING GAP

- 10.1. Based on a standstill budget of £142.203m and an AEF level of £101.005m, the net expenditure to be funded from Council Tax is shown in Table 3 below:-

Table 3		
Budget Funding Gap 2020/21		
Standstill Budget Funded By: Revenue Support Grant (RSG) Share of Non Domestic Rates Pool Total Aggregate External Finance	£'m 76.692 24.313	£'m 142.203 101.005
Total Net Expenditure to be Funded from Council Tax		41.198
2019/20 Council Tax Budget (adjusted for the change in the taxbase)		(39.370)
Funding Shortfall (before an increase in Council Tax)		1.828

10.2. The impact of various levels of Council Tax increase and on the Band D equivalent charge (currently £1,248.57 in 2019/20) is shown in Table 4 below:-

Table 4				
Impact of Various Council Tax Increases on the Funding Shortfall				
% Increase	Council Tax £'m	Funding Shortfall / (Surplus) £'m	Weekly Effect on Band D £	Total Increase in Band D £
1.0	39.765	1.433	0.24	12.51
1.5	39.961	1.1.237	0.36	18.72
2.0	40.157	1.041	0.48	24.93
2.5	40.355	0.843	0.60	31.23
3.0	40.551	0.647	0.72	37.44
3.5	40.750	0.448	0.84	43.74
4.0	40.946	0.252	0.96	49.95
4.5	41.141	0.057	1.08	56.16
4.64	41.198	0.000	1.11	57.93
5.0	41.340	(0.142)	1.20	62.46
5.5	41.536	(0.338)	1.32	68.67
6.0	41.732	(0.534)	1.44	74.88

10.3. The Medium Term Financial Plan estimated that the funding gap prior to increasing the Council Tax was £3.8m and, with a 5% increase in Council Tax, the funding gap would reduce to £1.8m. Services were, therefore, requested to identify potential savings over the next 3 years, if their budget fell by 2%, 5% or 10%. The majority of services were able to identify savings which would meet the 2% budget reduction target, but they had difficulty in reaching the 5% target without significant reduction in the level of services provided. Achieving a 10% cut would require major service reductions or ending some discretionary service provision.

10.4. The savings proposals were discussed by Members at a number of workshops during the early autumn, and this work identified around £343k of savings which could be implemented in 2020/21 without having an unmanageable impact on services. These are set out in Appendix 4.

10.5. The better than expected settlement has reduced the need to implement the savings. As is shown in Table 4 above, the budget requirement for 2020/21 could be funded with a 4.64% rise in the Council Tax. However, implementing some or all of the savings identified does provide some flexibility and the following options are available if the savings were implemented. The options available include:-

- Increasing revenue budgets of the services which are under pressure;
- Increasing the level of general balances;
- Using the surplus revenue budget to fund capital expenditure in 2020/21;
- Reduce the increase in Council Tax.

10.6. The financial position for 2021/22 is still unclear, and we may see a return to austerity and the need to make further savings. If the savings were implemented and the funding used to increase the level of general balances or to fund capital expenditure in 2020/21, then this would leave the Council in a better financial position in 2021/22, as implementing either of these options does not increase the revenue budget on a permanent basis nor reduces the funding available.

11. REVISED MEDIUM TERM FINANCIAL PLAN

11.1 The Medium Term Financial Plan estimates that the Council's net revenue budget will need to increase by £5m in 2021/22 and £3.6m in 2022/23, simply to meet the costs of pay and price inflation, increased costs on tendered contracts and the continued increase in demand for services, particularly in Social Care.

11.2 The 2020/21 provisional settlement gives no indication as to what the funding position will be in the following 2 years. Much will depend on the new Conservative government and their plans for public spending which will be set out in the Chancellor's budget in March 2020. It should be noted that any additional funding announced for England will result in additional funding for Wales, but it is for the Welsh Government to decide how this additional funding is spent. It does not automatically follow that any additional funding announced for Schools or Local Government in England translates to additional funding for Schools and Local Government in Wales.

11.3 If the settlement in 2021/22 and 2022/23 showed an increase to match inflation i.e. around 2%, the Council will be faced with making further budget reductions and increasing Council Tax by more than inflation in those years.

12. MATTERS FOR DECISION

12.1 The final budget will not be approved by the full Council until 10 March 2020, however, at this point, the Executive is recommended to approve the following:-

- i. To approve the Budget adjustments included in the Standstill Budget as set out in Paragraphs 4 to 7;
- ii. To approve the standstill budget for 2020/21 of £142.203m and this should form the basis of the 2020/21 revenue budget (para 8.1);
- iii. That the Executive determines the proposed increase in Council Tax for 2020/21 which will be subject to public consultation (para 10.2);
- iv. After allowing for the proposed increase in Council Tax and the savings to be implemented, should any surplus funding be available, the Executive should determine how to use this surplus funding (para 10.5);
- v. That the Executive should seek the opinion of the public on the proposed budget strategy.

**ANALYSIS OF THE MOVEMENT FROM THE 2019/20 FINAL BUDGET
TO THE 2020/21 STANDSTILL BUDGET**

	Standstill Budget		Report Ref
	£'m	£'m	
2019/20 Budget		135.210	
Committed Changes			
Capital Financing	(0.113)		Para 3.2
Pupil Numbers	0.082		Para 3.3
Council Tax Reduction Scheme	0.627		Para 3.4
Fire Service Levy	0.071		Para 3.5
Teachers Pensions Employer Contributions	0.564		Para 3.6
Car Park Income	0.058		Para 3.7
Historic Pension Contributions	(0.112)		Para 3.8
I.T. Licensing	0.250		Para 3.9
Other Committed Changes	0.240		Para 3.10
		1.667	
Contingencies		(0.239)	Para 4
Staffing Costs			
Increments	0.392		Para 5.2
Teachers Pay Award	0.406		Para 5.3
Non Teaching Staff Pay Award	1.257		Para 5.4
LGPS Contributions	(0.362)		Para 5.5
		1.693	
Non Pay Inflation		1.594	Para 6.3
Demand Led Budget Pressures			
Adult Services	0.980		Para 7.2
School Transport	0.250		Para 7.3
Secondary Integration	0.200		Para 7.4
Delegated Schools Budget	0.800		Para 7.5
NHS Nursing Grant Transferred In	0.048		Para 7.6
		2.278	
STANDSTILL BUDGET 2020/21		142.203	

APPENDIX 3

STANDSTILL BUDGET 2020/21 BY SERVICE				
Budget	2019/20 Budget	2020/21 Standstill Budget	Movement	% Change
	£'m	£'m	£'m	%
Lifelong Learning				
Schools	38.659	41.374	+ 2.715	+ 7.02
Central Education	10.589	11.404	+ 0.815	+ 7.70
Culture	1.213	1.244	+ 0.031	+ 2.56
Total Lifelong Learning	50.461	54.022	+ 3.561	+ 7.06
Highways, Waste & Property				
Highways	6.037	6.339	+ 0.302	+ 5.00
Property	0.848	0.898	+ 0.050	+5.90
Waste	7.718	8.029	+ 0.311	+ 4.03
Total Highways, Waste & Property	14.603	15.266	+ 0.663	+ 4.54
Regulation & Economic Development				
Economic Development & Maritime	1.076	1.254	+ 0.178	+ 16.54
Planning & Public Protection	2.042	2.153	+ 0.111	+ 5.44
Leisure	0.647	0.668	+ 0.021	+ 3.25
Total Reg & Economic Development	3.765	4.075	+ 0.310	+ 8.23
Adult Services	25.131	26.859	+ 1.728	+ 6.88
Children Services	10.273	10.543	+ 0.270	+ 2.62
Corporate Transformation				
Human Resources	1.258	1.297	+ 0.039	+ 3.10
ICT	2.386	2.800	+ 0.414	+ 17.35
Transformation	0.827	0.902	+ 0.075	+ 9.07
Total Corporate Transformation	4.471	4.999	+ 0.528	+ 11.81
Housing	1.211	1.267	+ 0.056	+ 4.62
Resources	3.048	3.141	+ 0.093	+ 3.05
Council Business	1.625	1.669	+ 0.044	+ 2.71
Total Service Budgets	114.588	121.841	+ 7.253	+ 6.33
Corporate Budgets				
Corporate Management	0.686	0.626	- 0.060	- 8.87
Levies	3.527	3.599	+ 0.072	+ 2.04
Corporate & Democratic	3.352	2.807	- 0.545	- 16.26
Capital Financing Costs	7.052	6.939	- 0.113	- 1.60
Benefits Granted	0.112	0.112	0.000	0.00
HRA Recharges	(0.678)	(0.700)	- 0.022	- 3.24
Council Tax Reduction Scheme	5.389	6.016	+ 0.627	+ 11.63
Contingencies	1.122	0.893	- 0.229	- 20.40
Discretionary Rate Relief	0.060	0.070	0.010	+ 16.67
Total Corporate Budgets	20.622	20.362	- 0.260	- 1.26
TOTAL STANDSTILL BUDGET 2020/21	135.210	142.203	+ 6.993	+ 5.17

POTENTIAL BUDGET SAVINGS 2020/21

Proposed Saving	Service	Potential Savings £'000
Reduce the cost of running the Council's vehicle fleet by investing in more fuel efficient vehicles (electricity and LPG) and by improving administrative procedures to reduce vehicle down time.	Highways, Waste & Property	10
Rearrange the out of hours rota of the Property repairs team in order to reduce the cost of the current service provision.	Highways, Waste & Property	11
Increase Car Park Fees - Coastal Sites increase current £3.50 rate to £4.00, the current £4.50 rate to £6.00 and the current £6.00 rate to £8.00. Town Sites - Abolish 50p rate making the minimum payment £1, increase the current £1.50 rate to £1.80, the current £2.00 rate to £2.50 and the current £3.00 rate to £4.00.	Highways, Waste & Property	83
Delete the budgets for low usage telephone lines and mobile phones.	Transformation	5
Reduce the cost of holding specific Civic events.	Council Business	8
Reduce postage budgets as a result of investments in the Payroll and Housing Benefits systems which has allowed the transfer of information electronically rather than posting paper documents.	Resources	10
Reduce Corporate Procurement Budgets – a corporate approach to the purchase of some goods and services has generated savings which can now be released.	Resources	50
Increased income from Breakwater County Park.	Regulation	1
Delete the remainder of the Outdoor Facilities budget following the transfer of the assets from the Council's control.	Regulation	37
Increase maritime fees ending the current moratorium on increases.	Regulation	5
Reduce the Development Control Team's administrative capacity. The recent investment in the planning system allows this reduction to be implemented.	Regulation	22
Delete the post of Strategic Development Officer – the post is currently vacant.	Housing	27
Reduce the cost of administrative support to the Head of Housing.	Housing	4
Capitalise the staffing costs relating to the delivery of Disabled Facilities grants.	Housing	36
Adjust the charges to the Housing Revenue Account to reflect the increase in costs.	Housing	19
Delete un-utilised budgets identified following a service budget review.	Housing	15
Total Potential Savings to be Implemented		343