

# **BCP Council**

**23 February 2021**

**Item:** Agenda Item 7j  
2021/22 Budget and Medium-Term Financial Plan (MTFP)

## **Budget Amendment – Unity Alliance**

**Proposer:** Cllr M Cox

**Seconder:** Cllr P Hilliard

### **Revised recommendation**

**1) a)** A net budget of £243.2 million, resulting in a total council tax requirement of £216.7 million, is set for 2021/22 based on the settlement figures published by government in December 2020. This is based upon:

- i. an increase in council tax in 2021/22 which means that the total BCP unitary charge will increase by 2.55% when applied to the average charge for 2020/21. Individual resident charges can be summarised as;
  - 1. Bournemouth's council tax charge being an increase of 1.75% over that levied in 2020/21.
  - 2. Christchurch's council tax charge being an increase of 0.99% over that levied in 2020/21.
  - 3. Poole's council tax charge being an increase of 4.01% over that levied in 2020/21.

iii. the allocations to service areas in the budget as proposed and as set out in Appendix 2a;

**1) b)** approve a £8.4 million gross investment in the council's corporate priorities (£7.4 million net) in 2021/22 which is an increase of £6.0 million compared to the 2020/21 budget;

**1) i)** that the chief finance officer provides council with a schedule setting out the rate of council tax for each category of dwelling further to councillors consideration of the decision required in respect of (a) above and after taking account of the precepts to be levied by the local police and fire authorities, neighbourhood, town and parish councils, and chartered trustees once these have been determined prior to the Council meeting on the 23 February 2021.

All other recommendations remain unaltered.

## Financial Implications

1. The revised recommendations are underpinned by the following changes, presented in **absolute** amounts rather than on an incremental basis, to the 2021/22 Budget and medium-term financial plan as set out in the substantive report.

	21/22 £000s	22/23 £000s	23/24 £000
<b>Additional Funding</b>			
a) Extra 1% increase in Council Tax in 2021/22	(2,114)	(54)	(56)
<b>Sub Total</b>	<b>(2,114)</b>	<b>(54)</b>	<b>(56)</b>
<b>Reduction in corporate priorities spend</b>			
b) Remove the investment in Regeneration	(1,750)	(1,750)	(1,750)
c) Defer the investment in Arts and Culture	(100)	-	-
d) Remove the investment in the cultural Bounce Back Festival	(250)	(250)	(250)
e) Defer the investment in Community safety officers	(100)	-	-
<b>Sub Total</b>	<b>(2,200)</b>	<b>(2,000)</b>	<b>(2,000)</b>
<b>Proposals including additional corporate priorities spend</b>			
f) Defer inflationary uplift on client contribution towards Adult Social Care until 2022/23	400	-	-
g) Provision of a respite fund for carers – one off	1,000	-	-
h) Provision of Mental Health & youth services for young people	250	250	250
i) Development of a resident's card	150	-	-
j) Green recovery fund	1,750	1,750	1,750
h) Additional highway improvements – one off	250	-	-
<b>Sub-Total</b>	<b>3,800</b>	<b>2,000</b>	<b>2,000</b>
<b>Changes in Reserves</b>			
i) Increase in unearmarked reserves	514	54	56
<b>Sub-Total</b>	<b>514</b>	<b>54</b>	<b>56</b>
<b>Additional annual (surplus) / deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

2. The financial planning assumption around future years council tax increases would now be 3.99% in 2022/23 (rather than 4.99%) and 1.99% in 2023/24 (unchanged)
3. The permanent changes to the corporate priority expenditure compared to the substantive budget is the removal of both the £1.750m investment in regeneration and the £250,000 investment in the cultural bounce back festival.
4. The £100,000 deferral (circa 40%) in the planned £240,000 investment in Community Safety Officers in 2021/22 is achieved by staggering the appointment of the 6 new officers over the year.
5. In respect of the resident's card the commitment in year one is to the development of the scheme. The intention from year 2 is the scheme would pay for itself through sponsorship, or through differential charging, by increasing charges (e.g. parking) to visitors and freezing/discounting charges to BCP residents.

6. Purpose of the Green Recovery Fund will be to ensure any regeneration expenditure is spent on “Green” initiatives and fulfils the Councils climate change and ecological emergency commitment.
7. As part of the substantive budget it is proposal to hold unearmarked reserves at £15.4 million which is approximately 5.5% of the proposed net revenue expenditure for the year. The budget amendment would increase these reserves to £15.9m which would be approximately 5.6% of the proposed net revenue expenditure for the year. The Chartered Institute of Public Finance and Accountancy (CIPFA) have carried out some benchmarking on the level of reserves held by most unitary authorities and identified that they tend to maintain unearmarked reserves between 5% and 10% of net revenue expenditure.
8. Revised Appendix 2a attached.

**Chief Finance Officer comment:**

9. The Council’s Chief Financial Officer has reviewed this alternative budget proposal and can confirm that it complies with the Council’s Financial Regulations in enabling a balanced budget for 2021/22 still to delivered.