
Rutland County Council

Budget: Scrutiny

January 2021



Budget messages

- Settlement was disappointing
- Our Spending Power increase (36.7m from 35.3m) assumes 5% council tax increases and an increase in tax base
- Draft budget is based on 3% council tax increases (2% general and 1% for social care) rather than 3% for social care allowable
- Pressures emerging from this budget – leisure, waste management, grounds maintenance mean position is worse than expected
- Budget gives current gap in 21/22 of c£2.6m – plugged by use of Reserves which is poor practice
- Minimum reserve level was £2m but risk profile means I am recommending we go to £3m

Budget messages

- It is a 1 year settlement but “hope” that we will see a positive change in funding is unrealistic given national position
- So gap is £2.6m in 21/22 and continues at this rate in future years meaning we run out of general fund by 24/25
- Gap cannot be £2.6m in following budget year (22/23) – this would be a complete failure of financial governance and totally unacceptable
- **TARGETS**
- Reduce in year spending (21/22) to reduce dependency on reserves by at least £1m
- Budget for 22/23 must not use Reserves in excess of £1m

What we need to do

- Commit to balancing the books (Members and Officers)
- Show that commitment through action/decision making
- Prioritise the financial challenge alongside Covid-19 (e.g. defer other work to create space)
- Remove other distractions
- Challenge everything we do
- Accept it will take time to do some things but other things can be done quickly
- Accept we will have to prioritise resources and do some things less

Updates

- No signs of additional funding
- Business Rates return, projections indicate an extra £200k
- Local Tax Compensation scheme been reviewed – compensation for losses on business rates and NNDR
- Line by line review – work in progress
 - Some reductions we can take straight away
 - Some opportunities to use more ring fenced reserves
 - Some medium term opportunities
- Quarter 3 20/21 showing £980k underspend – into General Fund or use towards extra Covid-19 work carrying into 21/22
- Further work being done on future year tax base (impacts 23/24)