

SCRUTINY COMMITTEE

BUDGET UPDATE

Scrutiny Committee will be considering the 16 December Cabinet budget report on 20 January. This note is to update on the Provisional Local Government Finance Settlement.

Provisional Local Government Finance Settlement 2021/22

- 1.1 The draft Settlement and then further announcements in the following days were very supportive of the approach which was agreed by Cabinet in December to balancing the 2021/22 budget. In that report we referred to the “exceptional” financial support provided by Government to Councils and the approach taken reflected an assumption that Government would not want to see Councils cutting services at this crucial time for the country.
- 1.2 The main issues to highlight from the settlement and subsequent announcements are:

Funding Source	Amount (£)	Comments
Settlement Additional Funding		
Revenue Support Grant	15,000	
Lower Tier Services Grant	183,000	A new grant- to prevent any lower tier Council having a negative Spending Power change
New Homes Bonus	276,000	One year only
Sub Total	474,000	
Covid Tranche 5 funding	996,472	As with Tranche 4 needs based allocation
Total	1,470,472	

- 1.3 The MHCLG are consulting on allocations of additional grant for Local Council Tax Support schemes. The indicative allocation to this Council is £198,000.
- 1.4 So these additional funding streams are very positive for the Council. It is critical that as with Tranche 4 the Tranche 5 Covid funding is needs based and that makes a huge difference for Swale. It must be emphasized that all of this funding is one-off for 2021/22 only. The Lower Tier Services Grant was a surprise announcement and it would be very welcome if this continued to ensure that no lower tier Council had a reduction in Core Spending Power. The Government also refers to a replacement for NHB but there is no detail at this point.

Next steps

- 1.5 Cabinet and SMT are now updating the overall budget to reflect the Settlement and other developments since early December when the budget report was prepared. A full update will be provided to Cabinet on 10 February.

Nick Vickers

Chief Financial Officer

13 January 2021