

REPORT OF THE EXECUTIVE DIRECTOR, RESOURCES

MEETING OF THE CITY COUNCIL
6TH MARCH, 2019

At its meeting on 13th February, 2019, the Cabinet received reports of the Executive Director, Resources on the Revenue Budget 2019/20 and the Capital Programme 2019/20, and the Cabinet made recommendations for consideration by the City Council.

Approval of the Revenue Budget and Capital Programme and setting the Council Tax charge is a function reserved to full Council.

The Cabinet minutes are set out below.

REVENUE BUDGET 2019/20

The Executive Director, Resources submitted a report to recommend that the Cabinet request Full Council to:-

- approve the City Council's revenue budget for 2019/20, including the position on reserves and balances;
- approve a 2019/20 Council Tax for the City Council; and
- note the levies and precepts made on the City Council by other authorities.

RESOLVED: That Cabinet recommends to the meeting of the City Council on 6 March 2019:-

- (a) to approve a net Revenue Budget for 2019/20 amounting to £403.291m;
- (b) to approve a Band D equivalent Council Tax of £1,559.18 for City Council services, i.e. an increase of 2.99%;
- (c) to approve the Council Tax charges in respect of Long Term Empty properties, as outlined from paragraph 51 of the report, with effect from 1 April 2019;
- (d) to note that the Section 151 Officer has reviewed the robustness of the estimates and the adequacy of the proposed financial reserves, in accordance with Section 25 of the Local Government Act 2003; and that further details can be found in Appendix 4 and within the Section 25 Statutory Statement on Sustainability of Budget and Level of Reserves from paragraph 6 of the report;
- (e) to approve the savings as set out in Appendix 2 of the report;
- (f) to approve the revenue budget allocations for each of the services, as set out in Appendices 3a to 3d of the report;
- (g) to note that, based on the estimated expenditure level set out in Appendix 3 to the report, the amounts shown in part B of Appendix 6 of the report would be calculated by the City Council for the year 2019/20, in accordance with sections 30 to 36 of the Local Government Finance Act 1992;

- (h) to note the information on the precepts issued by the South Yorkshire Police & Crime Commissioner and of South Yorkshire Fire & Rescue Authority, together with the impact of these on the overall amount of Council Tax to be charged in the City Council's area;
- (i) to approve the proposed amount of compensation to Parish Councils for the loss of Council Tax income in 2019/20 at the levels shown in the table below paragraph 164;
- (j) to note the latest 2018/19 budget monitoring position;
- (k) to approve the Treasury Management and Annual Investment Strategies set out in Appendix 7 of the report and the recommendations contained therein;
- (l) to approve the Minimum Revenue Provision (MRP) Policy set out in Appendix 7, which takes into account the revisions proposed for 2018/19 onwards;
- (m) to agree that authority be delegated to the Executive Director, Resources to undertake Treasury Management activity, to create and amend appropriate Treasury Management Practice Statements and to report on the operation of Treasury Management activity on the terms set out in these documents;
- (n) to note the information provided on the medium term financial outlook contained within the Medium Term Financial Analysis, attached as Appendix 10 to the report;
- (o) to approve a Pay Policy for 2019/20 as set out in Appendix 8 of the report; and
- (p) to agree that the Members' Allowances Scheme for 2017/18 and onwards, approved on 3 March 2017, and implemented for 2018/19, be also implemented for 2019/20.

CAPITAL PROGRAMME 2019/20

The Executive Director, Resources submitted a report setting out the proposed Capital Programme for 2019-20 onwards, describing the programmes to be undertaken and the projects to be delivered.

RESOLVED: That Cabinet recommends to the meeting of the City Council on 6 March 2019:-

- (a) to approve the contents of the Capital Strategy & Budget Book and the specific projects included in the years 2019/20 to 2023/24; that block allocations are included within the programme for noting at this stage and detailed proposals will be brought back for separate Member approval as part of the monthly monitoring procedures; and
- (b) to approve the proposed Capital Programme for the 5 years to 2023/24 as per appendix 1 of the capital report.

Recommendation

That the Council approves the recommendations made by the Cabinet, as set out above.

Options

Full Council may:-

- (i) approve in full the recommendations made by the Cabinet; or
- (ii) approve with modification the recommendations made by the Cabinet, subject to the caveats below.

In considering the options, Full Council must have full regard to the contents of the reports to Cabinet including, in particular, the legal advice and implications that are highlighted in the report on the revenue budget. Full Council's attention is drawn to the statutory requirements noted in the revenue budget report, that the Authority must:-

- (i) determine its revenue budget before 11 March each year; and
- (ii) set a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves and s25 Local Government Act 2003 which sets obligations of adequacy on controlled reserves.

NOTE: 1. Reports on the Revenue Budget and Capital Programme 2019/20, updated since submission to the Cabinet so as to include information on the precepts, have been circulated to all Council Members with the Council Summons.

NOTE: 2. Prior to consideration of the reports on the Revenue Budget and Capital Programme 2019/20, the Cabinet received a report of the Overview and Scrutiny Management Committee outlining the outcome of the Committee's consideration of the reports at its meeting held on 5th February. The Committee had passed the following resolution, which was noted by the Cabinet:-

RESOLVED: That the Committee:-

(a) notes the contents of the reports of the Executive Director, Resources, on the Capital Programme 2019/20 and the Budget Report 2019/20, together with the comments made and the responses provided to the questions raised;

(b) recommends that the reports of the Executive Director, Resources on the Capital Programme 2019/20 and the Budget Report for 2019/20, be submitted to Cabinet without amendment;

(c) notes with concern that due to continued cuts to local government budgets and rising demand for social care services, this year the budget can only be balanced by the planned use of reserves;

(d) thanks all officers involved for all their hard work in preparing the budget amidst widespread uncertainty about the future of local government funding;

(e) thanks officers and Cabinet Members for bringing the budget timetable forward to enable the Overview and Scrutiny Management Committee to consider the budget reports in advance of Cabinet;

(f) thanks the Council's front line staff who continue to go above and beyond in delivering services to the people of Sheffield in difficult circumstances; and

(g) agrees to include regular monitoring reports on the implementation of the budget savings in its work programme for 2019/20.

Eugene Walker
Executive Director, Resources