

REPORT OF THE EXECUTIVE DIRECTOR, RESOURCES

MEETING OF THE CITY COUNCIL
4TH MARCH, 2020

At its meeting on 19th February, 2020, the Cabinet received a report of the Executive Director, Resources, containing proposals with regard to the Council's Revenue Budget for 2020-21 and the Capital Strategy 2020-2025, 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 minute is set out below.

REVENUE BUDGET AND CAPITAL PROGRAMME 2020/21

The Executive Director, Resources submitted a report containing proposals with regard to the Council's Revenue Budget for 2020-21 and the Capital Strategy 2020-2025.

The purpose of the Revenue Budget report is to:-

- approve the City Council's revenue budget for 2020/21, including the position on reserves and balances;
- approve a 2020/21 Council Tax for the City Council; and
- note the levies and precepts made on the City Council by other authorities.

The purpose of the Capital Programme Report is to:-

- set out the Council's key priority areas for capital investment;
- provide an overview of specific projects included in the years 2020 to 2025;
- set out the overall shape of the current Capital Programme for the 5 years to 2025 (at Appendix 2);
- set out the Council's principles for how it invests in non-cash assets; and
- provide background to the Council's Corporate Investment Fund Policy (at Appendix 1).

RESOLVED: That Cabinet recommends to the meeting of the City Council on 4th March 2020:-

- (a) to approve a net Revenue Budget for 2020/21 amounting to £420.171m;
- (b) to approve a Band D equivalent Council Tax of £1,621.40 for City Council services, i.e. an increase of 3.99% (1.99% City Council increase and 2% national arrangement for the social care precept);
- (c) to approve the proposed amendments to the Long Term Empty premium which applies to Council Tax charges in respect of Long Term Empty Dwellings, as set out in paragraph 48 of the Revenue Budget report, with effect from 1 April 2020;

- (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 15 of the Revenue Budget report;
- (e) to approve the savings as set out in Appendix 2 of the Revenue Budget report;
- (f) to approve the revenue budget allocations for each of the services, as set out in Appendices 3a to 3d of the Revenue Budget report;
- (g) to note that, based on the estimated expenditure level set out in Appendix 3 to the Revenue Budget report, the amounts shown in part B of Appendix 6 of the report would be calculated by the City Council for the year 2020/21, 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 2020/21 at the levels shown in the table below paragraph 85 of the Revenue Budget report;
- (j) to approve the Treasury Management and Annual Investment Strategies set out in Appendix 7 of the Revenue Budget report and the recommendations contained therein;
- (k) to approve the Minimum Revenue Provision (MRP) Policy set out in Appendix 7 of the Revenue Budget report; which takes into account the revisions proposed for 2019/20 onwards;
- (l) 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;
- (m) to approve a Pay Policy for 2020/21 as set out in Appendix 8 of the Revenue Budget report;
- (n) to agree that the Members' Allowances Scheme for 2017/18 and onwards, approved on 3 March 2017, and implemented for 2018/19 and 2019/20, be also implemented for 2020/21;
- (o) to approve the contents of the Capital Strategy & Budget Book and the specific projects included in the years 2020/21 to 2024/25; 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

- (p) to approve the proposed Capital Programme for the 5 years to 2024/25, as per appendix 2 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 report 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 under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

NOTE: 1. The report on the Revenue Budget and Capital Programme 2020/21, updated since submission to the Cabinet so as to include information on the precepts, has been circulated to all Council Members with the Council Summons.

NOTE: 2. Prior to consideration of the report on the Revenue Budget and Capital Programme 2020/21, the Cabinet received a report of the Overview and Scrutiny Management Committee outlining the outcome of the Committee's consideration of the report at its meeting held on 14th February. The Committee had passed the following resolution, which was noted by the Cabinet:-

RESOLVED: *That the Committee:-*

(a) notes the contents of the report of the Executive Director, Resources, on the Revenue Budget 2020/21 and Capital Strategy 2020-2025, together with the comments made and the responses provided to the questions raised;

(b) recommends that the report of the Executive Director, Resources, on the Revenue Budget 2020/21 and Capital Strategy 2020-2025, be approved by Cabinet without amendment;

Eugene Walker
Executive Director, Resources