

REVENUE BUDGET AND CAPITAL PROGRAMME FOR 2023-24

1. At its meeting on 21st February, 2023, the Strategy and Resources Policy Committee received reports of the Interim Director of Finance and Commercial Services containing proposals with regard to the Council's Revenue Budget for 2023-24 and the Capital Strategy 2023-2053, and the Committee made recommendations for consideration by the City Council.
2. The Committee also received a supplementary report providing the South Yorkshire Fire & Rescue Authority precept details, which have been issued since the publication of the agenda. The supplementary report also included an amended recommendation to reflect that the Council now has this information on the precept.
3. Approval of the Revenue Budget and Capital Programme and setting the Council Tax charge is a function reserved to full Council.
4. Full Council will also be requested to delegate formal approval of fees and charges increases to the relevant Director where these have been considered and approved in principle by Policy Committees as part of the budget setting process. Agreeing fees and charges (other than any set by Full Council as part of the budget process) in line with the medium term financial strategy and any policies in respect of fees and charges, is a matter reserved to Policy Committees in Part 3.3 of the Council's Constitution. This delegation will save Policy Committees time where they have already considered and approved such matters as budget proposals in not having to consider them further.
5. The relevant minute of the Strategy and Resources Policy Committee is set out below.

The Interim Director of Finance and Commercial Services submitted reports containing proposals with regard to the Council's Revenue Budget for 2023-24 and the Capital Strategy for 2023-2053.

The purpose of the Revenue Budget report is to:-

- approve the City Council's revenue budget for 2023-24, including the position on reserves and balances;
- approve a 2023-24 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 Strategy and Budget Book 2023-2053 is to provide a snapshot of the City Council's capital programme for the period 2023-2028, together with the background and context for our capital investment over this period.

RESOLVED UNANIMOUSLY: That the Strategy and Resources Policy Committee:-

1. As regards the Revenue Budget, approves for submission to the meeting of the City Council on 1st March 2023, the recommendations in the Revenue Budget report, as set out below:-

(i) To approve a net Revenue Budget for 2023/24 amounting to £500.762m;

(ii) To approve a Band D equivalent Council Tax of £1,840.69 for City Council services, i.e. an increase of 4.99% (2.99% City Council increase and 2% national arrangement for the social care precept);

(iii) 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. 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 2;

(iv) To note that, if overspends against the agreed budgets emerge, then Executive Directors and Directors will be required to develop and implement plans to mitigate fully any overspend, within 2023/24, in consultation with elected Members;

(v) To approve the savings as set out in **Appendix 2**;

(vi) To approve the revenue budget allocations for each of the services, as set out in **Appendix 3a**;

(vii) To note that, based on the estimated expenditure level set out in **Appendix 3** to this report, the amounts shown in part B of **Appendix 5** would be calculated by the City Council for the year 2023/24, in accordance with sections 30 to 36 of the Local Government Finance Act 1992;

(viii) 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;

(ix) To note the precepts issued by local parish councils which add £660,954 to the calculation of the budget requirement in accordance with Sections 31 to 36 of the Local Government Finance Act 1992;

(x) To approve the Treasury Management and Annual Investment Strategies set out in **Appendix 6** and the recommendations contained therein;

(xi) To approve the Minimum Revenue Provision (MRP) Policy set out in **Appendix 6**; which takes into account the revisions proposed for 2023/24 onwards;

(xii) To agree that authority be delegated to the Interim Director of Finance & Commercial Services 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;

(xiii) To approve a Pay Policy for 2023/24 as set out in **Appendix 7**; and

(xiv) To (i) agree that the Members allowances scheme introduced in 2022/23 be implemented for 2023/24 and (ii) note that the Independent Remuneration Panel will review the Scheme after the committee system has been in operation for 12 months, to make sure the scheme supports the new governance structure and the roles and responsibilities of elected members;

2. As regards the Capital Strategy, approves for submission to the meeting of the City Council on 1st March 2023, the recommendations:-

(a) To approve the contents of the Capital Strategy and the specific projects included in the years 2023/24 to 2027/28; 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 2027/28 as per **Appendix C2** of the Capital Report.

Recommendations

That the Council:-

(a) approves the Council's Revenue Budget for 2023-24 and the Capital Strategy for 2023-2053, based on the recommendations made to it by the Strategy and Resources Policy Committee, as set out in the above resolution; and

(b) delegates authority to the relevant Director to increase fees and charges where they have been considered by a Policy Committee as part of the budget process and are included in Appendix 2 - Committee Savings of the Sheffield City Council Revenue Budget 2023/24.

Options

Full Council may:-

- (i) approve in full the recommendations made by the Strategy and Resources Policy Committee; or
- (ii) approve, with modification, the recommendations made by the Strategy and Resources Policy Committee, subject to the caveats below.

In considering the options, Full Council must have full regard to the contents of the report to Council 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 at paragraphs 87 and 88, 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: The report on the Revenue Budget and Capital Programme 2023-24, updated since submission to the Strategy and Resources Policy Committee so as to include information on the precepts, has been circulated in electronic form to all Council Members with the Council Summons.

Tony Kirkham
Interim Director of Finance and Commercial Services