

## REPORT OF THE EXECUTIVE DIRECTOR, RESOURCES

MEETING OF THE CITY COUNCIL  
2<sup>ND</sup> MARCH, 2022

At its meeting on 16th February, 2022, the Co-operative Executive received a report of the Executive Director, Resources, containing proposals with regard to the Council's Revenue Budget for 2022-23 and the Capital Strategy 2022-2052, and the Co-operative Executive 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 Co-operative Executive minute is set out below.

### **REVENUE BUDGET AND CAPITAL PROGRAMME FOR 2022/23**

The Executive Director, Resources submitted a report containing proposals with regard to the Council's Revenue Budget for 2022-23 and the Capital Strategy for 2022-2052.

The purpose of the Revenue Budget report is to:-

- approve the City Council's revenue budget for 2022/23, including the position on reserves and balances;
- approve a 2022/23 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 report is to:-

- set out the Council's key priority areas for capital investment from 2022 to 2052;
- provide an overview of specific projects included in the years 2022 to 2027;
- set out the overall shape of the current Capital Programme for the 5 years to 2027 (at Appendix C2 of the report). Block allocations are included within the programme for noting at this stage and detailed proposals will be brought back for separate approval as part of the monthly approval cycle;
- 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 C1 of the report).

**RESOLVED:** That Co-operative Executive:-

- (1) recommends full Council, at its meeting to be held on 2<sup>nd</sup> March 2022, to:-
  - (a) approve a net Revenue Budget for 2022/23 amounting to £411.800m;
  - (b) approve a Band D equivalent Council Tax of £1,753.21 for City Council services, i.e. an increase of 2.99% (1.99% City Council increase and 1% national arrangement for the social care precept);
  - (c) 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 of the report and within the Section 25 Statutory Statement on Sustainability of Budget and Level of Reserves from paragraph 2 of the Revenue Budget report;

- (d) 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 2022/23, in consultation with elected Members;
- (e) note the Council will undertake a series of Strategic Reviews into key services, to identify changing methods of provision that support services to the public at lower cost, thus bringing the Council's budgets back into recurrent balance during 2022/23;
- (f) approve the savings as set out in Appendix 2 of the Revenue Budget report;
- (g) approve the revenue budget allocations for each of the services, as set out in Appendices 3a to 3d of the Revenue Budget report;
- (h) 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 5 of the report would be calculated by the City Council for the year 2022/23, in accordance with sections 30 to 36 of the Local Government Finance Act 1992;
- (i) 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;
- (j) note the precepts issued by local parish councils which add £654,794 to the calculation of the budget requirement, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992;
- (k) approve the Treasury Management and Annual Investment Strategies set out in Appendix 6 of the Revenue Budget report and the recommendations contained therein;
- (l) approve the Minimum Revenue Provision (MRP) Policy set out in Appendix 6 of the Revenue Budget report; which takes into account the revisions proposed for 2022/23 onwards;
- (m) 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) approve a Pay Policy for 2022/23 as set out in Appendix 7 of the Revenue Budget report;

- (o) (i) agree that the Members' Allowances Scheme for 2017/18 and onwards, approved on 3 March 2017, and implemented for 2018/19, 2019/20, 2020/21 and 2021/22 and as amended in 2021/22, be also implemented for 2022/23 until the date of the Council's Annual Meeting and (ii) note that, following a review by the Independent Remuneration Panel, a new Scheme will be agreed by the Council to reflect the requirements of the new committee system to be implemented from the Annual Meeting on 18 May 2022;
- (2) delegates authority for the administration and payment of the Energy Support Payments announced by Government on 3rd February 2022 to the Director of Finance and Commercial Services; and
- (3) recommends full Council, at its meeting to be held on 2<sup>nd</sup> March 2022, to:-
  - (a) approve the contents of the Capital Strategy and the specific projects included in the years 2022/23 to 2026/27; 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) approve the proposed Capital Programme for the 5 years to 2026/27, as per Appendix C2 of the Capital Strategy report.

### **Recommendation**

That the Council approves the recommendations made to it by the Co-operative Executive, as set out in parts (1) and (3) of the above resolution.

*(Note: Part (2) of the above resolution is a function of the Executive and does not, therefore, require the approval of full Council.)*

### **Options**

Full Council may:-

- (i) approve in full the recommendations made by the Co-operative Executive; or
- (ii) approve, with modification, the recommendations made by the Co-operative Executive, 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 108 and 109, 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 2022/23, updated since submission to the Co-operative Executive so as to include information on the precepts, has been circulated in electronic form to all Council Members with the Council Summons.

NOTE: 2. Prior to consideration of the report on the Revenue Budget and Capital Programme 2022/23, the Co-operative Executive 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 10th February 2022. The Committee had passed the following resolution, which was noted by the Co-operative Executive:-

**RESOLVED:** *That the Committee:-*

*(a) notes the contents of the report of the Executive Director, Resources, now submitted, on the Revenue Budget 2022/23 and Capital Strategy 2022 to 2052, together with the comments now made and the responses provided to the questions raised;*

*(b) expresses its thanks and appreciation to all those Council officers and Members involved in the budget-setting process for the excellent work undertaken by them in achieving a balanced budget, particularly in such difficult circumstances;*

*(c) places on record its thanks and appreciation for the excellent work undertaken by Dave Phillips (Head of Strategic Finance), who was retiring from the Council in March 2022 after seven years' service, in connection with the Council budget; and*

*(d) recommends that the report of the Executive Director, Resources, on the Revenue Budget 2022/23 and Capital Strategy 2022 to 2052 be approved by the Co-operative Executive without amendment.*

**Eugene Walker**  
**Executive Director, Resources**