

REVENUE BUDGET AND CAPITAL PROGRAMME FOR 2024-25

1. At its meeting on 21st February, 2024, the Strategy and Resources Policy Committee received reports of the Director of Finance and Commercial Services containing proposals with regard to the Council's Revenue Budget for 2024-25 and the Capital Strategy 2024-2054, and the Committee made recommendations for consideration by the City Council.
2. The purpose of the Revenue Budget report was to recommend to Full Council:-
 - the City Council's revenue budget for 2024-25, including the position on reserves and balances;
 - to approve a 2024-25 Council Tax for the City Council; and
 - to note the levies and precepts made on the City Council by other authorities.
3. The purpose of the Capital Strategy and Budget Book 2024-2054 was to provide a snapshot of the City Council's capital programme for the period 2024-2029, together with the background and context for its capital investment over this period and for the next thirty years.
4. The Committee also received a supplementary report (a) providing the South Yorkshire Fire and Rescue Authority precept details, which were issued after the publication of the agenda for the Committee's meeting, together with completed Council Tax Determinations following the approval of that precept and (b) reflecting the decisions taken at the Finance Committee on Monday 19th February regarding premium Council Tax charges. The supplementary report also included amended recommendations for the Committee to approve, to reflect that the Council now has the information on the precept and to include the noting of the Finance Committee's decisions.
5. At the meeting of the Committee, the Director of Finance and Commercial Services outlined details of an additional recommendation to be added in respect of a delegation of 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 3 - Committee External Income of the Sheffield City Council Revenue Budget 2024/25.
6. Approval of the Revenue Budget and Capital Programme and setting the Council Tax charge is a function reserved to full Council.
7. The resolution passed by the Strategy and Resources Policy Committee is set out below.

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 6th March 2024, the recommendations in the Revenue Budget report, as set out below:-

- (i) To approve a net Revenue Budget for 2024/25 amounting to £543.815m;
- (ii) To approve a Band D equivalent Council Tax of £1,932.56 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 5 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 2024/25, 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 4a;
- (vii) To note that, based on the estimated expenditure level set out in Appendix 4 to this report, the amounts shown in part B of Appendix 6 would be calculated by the City Council for the year 2024/25, 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 and Crime Commissioner and of South Yorkshire Fire and 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 £676,767 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 7 and the recommendations contained therein;
- (xi) To approve the Minimum Revenue Provision (MRP) Policy set out in Appendix 7, which takes into account the revisions proposed for 2024/25 onwards;
- (xii) To agree that authority be delegated to the Director of Finance and 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 2024/25 as set out in Appendix 8;

(xiv) To (a) agree that the Members Allowances Scheme introduced in 2022/23 be implemented for 2024/25 and (b) note that the Independent Remuneration Panel will review the Scheme each year, to make sure the scheme supports the governance structure and the roles and responsibilities of elected members;

(xv) To note the determination of the Finance Committee on 19th February 2024 to implement a second homes premium (as defined in the report to that Committee) from 1st April 2025;

(xvi) To note the determination of the Finance Committee on 19th February 2024 to bring forward the chargeable period of the Long Term Empty premium from 2 years of unoccupation to 1 year of unoccupation with effect from 1st April 2024; and

(xvii) Except where the decision is to be taken by the Council as a Charity Trustee, to delegate 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 3 - Committee External Income of the Sheffield City Council Revenue Budget 2024/25.

2. As regards the Capital Strategy, approves the submission to the meeting of the City Council on 6th March 2024, the recommendations:-

(i) To approve the contents of the Capital Strategy and the specific projects included in the years 2024/25 to 2028/29;

(ii) To note that the 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

(iii) To approve the proposed Capital Programme for the 5 years to 2028/29 as per Section F of the Capital Report.

Recommendations

That the Council approves the Council's Revenue Budget for 2024-25 and the Capital Strategy for 2024-2054, based on the recommendations made to it by the Strategy and Resources Policy Committee, as set out in the above resolution.

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 83 and 84, 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 reports on the Revenue Budget and Capital Programme 2024-25, updated since submission to the Strategy and Resources Policy Committee so as to include information on the precepts within the Revenue Budget report, have been circulated in electronic form to all Council Members with the Council Summons.

Philip Gregory
Director of Finance and Commercial Services