
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 18 NOVEMBER 2019

BUDGET OVERVIEW 2020/21

The Deputy Leader introduced Agenda item A.1 which constituted the official start of the 2020/21 Budget process. He reminded Members that the various reports listed under that item had been reproduced in a Budget Book circulated on 8 November 2019. Those reports under consideration by the Executive today would proceed to Scrutiny, and come back before the Executive, prior to submission to the Special Council meeting scheduled to take place on 4 February 2020.

EX.95/19 BUDGET UPDATE - REVENUE ESTIMATES 2020/21 TO 2024/25 (Key Decision – KD.22/19)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.29/19 providing a summary of the Council's revised revenue base estimates for 2019/20, together with base estimates for 2020/21 and forecasts up to 2024/25 for illustrative purposes. The base estimates had been prepared in accordance with the guiding principles for the formulation of the budget over the next five-year planning period as set out in the Medium Term Financial Plan (MTFP) and Charging Policy; Capital Strategy; and Asset Management Plan approved by Council on 10 September 2019.

The report set out known revisions to the MTFP projections, although there were a number of significant factors affecting the budget that were currently unresolved and which would be considered as the budget process progressed (paragraph 1.3 referred).

Details of the outstanding key issues and resource assumptions were set out at Section 4, the report also alluding to the fact that decisions would need to be taken to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies, and probable use of reserves, to enable a balanced budget position to be recommended to Council in February 2020.

In light of the current position in the MTFP, there were some potential new spending pressures and bids which required consideration. There may also be other pressures on the revenue budget as highlighted within the revenue monitoring report, which may have a recurring impact; however, Officers were reviewing the existing base budget provisions to ensure that the services could be provided within those budgetary provisions. Details of the income and budget monitoring shortfalls were documented at paragraph 5.7.

The current MTFP included a recurring savings requirement to be found by 2020/21 of £1.129 million. Further savings / additional income had already been identified in the budget process for 2020/21, details of which were set out at Section 6 of the report.

Also summarised were the movements in base budgets; the updated MTFP projections; Treasury Management and Borrowing; the projected impact on revenue balances; review of reserves and balances; together with a summary of the financial outlook and budget discipline 2020/21 to 2024/25.

The Deputy Leader concluded by moving the recommendations as detailed within the report.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the revised base estimates for 2019/20 and base estimates for 2020/21.
2. Noted the current Medium Term Financial Plan projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken.
3. Noted the initial budget pressures, bids and savings which needed to be taken into account as part of the 2020/21 budget process.
4. Noted the review of the earmarked reserves as outlined in paragraph 9 and Appendix F to Report RD.29/19.

Reasons for Decision

To note the Revenue Base Estimates; updated Medium Term Financial Plan projections and budget pressures / savings for consideration as part of the 2020/21 budget process

EX.96/19 REVIEW OF CHARGES 2020/21 - COMMUNITY SERVICES (Key Decision – KD.22/19)

Portfolio Environment and Transport; Culture, Heritage and Leisure

Relevant Scrutiny Panel Economic Growth; Health and Wellbeing;
Business and Transformation

Subject Matter

The Deputy Leader submitted report CS.25/19 setting out the proposed fees and charges for 2020/21 relating to those services falling within the Community Services Directorate.

In terms of car parking, the report recorded the proposal that Car Park Pay & Display and Saver Permit Charges for 2020/21 would be increased by 3% as shown in Appendices 2, 3 & 4. Due to

the programme of redevelopment at the Sands Centre and the necessity to use car parking spaces for a works compound the Swifts car park would now be open for use Monday to Sunday – charges being as outlined in the Appendix.

Details of the other proposed charges in relation to City Centre usage by external organisations; events; digital banner; Old Fire Station; allotments; use of parks; sports pitches; Talkin Tarn; Bereavement Services; Waste Services and Garage charges were also provided.

The original 2019/20 budgets and 2020/21 forecast income levels based upon the current charge structure and forecast volume were as detailed in the table on page 35 of the document pack. The charges highlighted within the report would result in an anticipated level of income of £2,929,300 against the MTFP target of £3,132,800. That represented a shortfall of £203,500 against the MTFP target.

The Deputy Leader then moved the recommendations.

Summary of options rejected none

DECISION

That the Executive:

1. Had reviewed the proposed charges as set out in the body of Report CS.25/19 and relevant appendices with effect from 1 April 2020, noting the impact those would have on income generation as detailed within the report.
2. Made the report of proposed charges available to relevant Scrutiny Panels for their review and comment.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with

EX.97/19 REVIEW OF CHARGES 2020/21 – ECONOMIC DEVELOPMENT
(Key Decision – KD.22/19)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth; Business and Transformation

Subject Matter

The Deputy Leader submitted report ED.36/19 setting out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

The proposed charges in relation to Planning Services included Development Control income; Building Control income; Building Control Discretionary Charges; the Home Life Grant Scheme; Shop Mobility and Investment and Policy Income.

Acceptance of the charges highlighted within the report would result in an anticipated level of income of £628,600 against the Medium Term Financial Plan target of £749,600.

The Deputy Leader then moved the recommendation.

Summary of options rejected none

DECISION

That the Executive agreed for consultation the charges, as set out in Report ED.36/19 and accompanying Appendices, with effect from 1 April 2020; noting the impact those would have on income generation as detailed within the report.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with

EX.98/19 REVIEW OF CHARGES 2020/21 – GOVERNANCE AND REGULATORY SERVICES
(Key Decision – KD.22/19)

Portfolio Cross Cutting

Relevant Scrutiny Panel Health and Wellbeing; Business and Transformation

Subject Matter

The Deputy Leader submitted report GD.46/19 concerning the proposed fees and charges for areas falling within the responsibility of the Governance and Regulatory Services Directorate.

The report set out the proposed charges relative to Environmental Health and Housing; Homeless, Prevention and Accommodation Services; and Legal Services.

The introduction of the proposed charges was forecast to generate income of £872,500 in 2020/21 as summarised in the table at paragraph 5.9.1 of the report.

The Deputy Leader then moved the report.

Summary of options rejected none

DECISION

That the Executive agreed for consultation the charges as detailed within Report GD.46/19 and accompanying Appendices, with effect from 1 April 2020; noting the impact those would have on income generation as detailed within the report.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with

EX.99/19 REVIEW OF CHARGES 2020/21 – GOVERNANCE AND REGULATORY SERVICES DIRECTORATE - LICENSING
(Key Decision – KD.22/19)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report GD.64/19 setting out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Governance and Regulatory Services Directorate. He advised Members that the Regulatory Panel had responsibility for determining the licence fees, with the exception of those under the Scrap Metal Dealers Act 2013, which fell to the Executive.

The Deputy Leader then moved that the Executive note the charges which had been considered by the Regulatory Panel on 16 October 2019. The fees under the Scrap Metal Dealers Act 2013 were determined by the Executive for a three year period on 16 September 2019.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the charges which were considered by the Regulatory Panel on 16 October 2019.
2. Noted that the fees under the Scrap Metal Dealers Act 2013 had been determined by the Executive for a three year period on 16 September 2019.

Reasons for Decision

To ensure that the City Council's Corporate Charging Policy is complied with and sufficient income is generated to cover the costs associated with administering and enforcing the Council's statutory licensing function

EX.100/19 REVISED CAPITAL PROGRAMME 2019/20 AND PROVISIONAL CAPITAL PROGRAMME 2020/21 TO 2024/25
(Key Decision – KD.22/19)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Economic Growth; Health and Wellbeing; Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.30/19 detailing the revised Capital Programme for 2019/20, now totalling £23,222,900, together with the proposed method of financing. The summary of the revised programme for 2019/20 showed a potential borrowing requirement in the sum of £3,720,788.

Also summarised was the proposed programme for 2020/21 to 2024/25 in the light of the new capital proposals identified, together with the estimated capital resources available to fund the programme.

Section 4 provided details of the current commitments and new spending proposals. Any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.

In addition, a summary of the estimated resources compared to the proposed programme year on year set out at Section 6 of the report.

The Deputy Leader concluded his presentation by moving the recommendations as detailed within the Corporate Director's report.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the revised capital programme and relevant financing for 2019/20 as set out in Appendices A and B to Report RD.30/19;
2. Had given initial consideration and views on the proposed capital spending for 2020/21 to 2024/25 given in the report in the light of the estimated available resources;
3. Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.

Reasons for Decision

To note the details of the revised Capital Programme and relevant financing and make arrangements for the new capital bids to be considered as part of the 2020/21 budget process

EX.101/19 CORPORATE ASSETS – CAPITAL PROGRAMME 20/21 AND 3 YEAR REPAIR AND MAINTENANCE PROGRAMME 2020/21 TO 2022/23
(Key Decision – KD.22/19)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report GD.62/19 setting out the repair and maintenance programme budget proposals for the Council's corporate property assets for the three year period 2020/21 to 2022/23, required to ensure that the legal responsibilities of the City Council were met.

Local authorities had a duty to manage their property assets, particularly operational assets, in a safe and efficient manner which contributed to the quality of service delivery. The maintenance strategy was fully integrated with the Asset Management Plan and environmental policy. In addition, the Council followed good practice by, where practical, allocating its budget 70% planned maintenance and 30% reactive maintenance.

The Deputy Leader indicated that the proposed 2020/21 revenue maintenance budget amounted to approximately £750,000 spread across a wide range of assets; and that the Council had a capitalised major repairs programme with a provision of £250,000 included in the Capital Programme. The total outstanding maintenance figure on the operational buildings, based on a costed 5 year plan derived from the Condition Surveys, currently stood at just under £2,600,000. That figure omitted the outstanding maintenance works at the Pools due to the impending closure of the facility.

Turning to the issue of planned maintenance, the report recorded that the projects detailed at Section 2 reflected the highest priority projects to be funded from capital. The current allocation of £250,000 included the additional £100,000 per annum approved in the 2019/20 budget onwards to further address maintenance backlog.

The maintenance budgets for next year and those for the following two years (based on a continuation basis as set out in the Medium Term Financial Plan) were included as Appendix A. Whilst that allocation was necessary for budget purposes the Building and Estates Manager (authorised by the Corporate Director of Governance and Regulatory Services) could re-distribute those funds to meet specific or emergency needs. That flexibility was essential to avoid any service disruption.

The Deputy Leader concluded by moving the recommendations set out in the report.

Summary of options rejected none

DECISION

That the Executive approved:

1. The three-year revenue maintenance programme set out in Appendix A to Report GD.62/19 as part of the budget process.
2. The 2020/21 capital budget of £250,000 and the associated list of capital projects selected to meet the allocated budget.

Reasons for Decision

The Council's property assets require regular repair and maintenance to ensure they provide a safe working environment for their users and occupiers. The recommendations outlined ensured that Council assets were maintained to a standard that supported service provision and ensured the safety and comfort of their users and occupiers

EX.102/19 TREASURY MANAGEMENT QUARTER 2 2019/20 AND FORECASTS FOR 2020/21 TO 2024/25
(Key Decision – KD.22/19)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.31/19 providing the regular quarterly report on Treasury Transactions, together with an interim report on Treasury Management as required under the Financial Procedure Rules. The report also discussed the City Council's Treasury Management estimates for 2020/21 with projections to 2024/25 and set out information regarding the requirements of the Prudential Code on local authority capital finance.

Treasury Management projections were reviewed annually to ensure that current interest rate forecasts were updated, and that current and future spending implications were built into the cash flow forecasts model. Average cash balances would need to be amended to reflect revised forecasts for anticipated capital receipts, capital expenditure and use of revenue reserves and that would adjust the final pressure/saving requirement from treasury management. The draft base Treasury Management estimates for 2020/21 with projections for 2024/25 were set out at Appendix C.

The Deputy Leader concluded by moving the recommendation set out in the report.

Summary of options rejected none

DECISION

That Report RD.31/19 be received and the projections for 2020/21 to 2024/25 be incorporated into the Budget reports considered elsewhere on the Agenda.

Reasons for Decision

To receive the report on Treasury Management and refer it as part of the budget process

EX.103/19 LOCAL TAXATION 2020/21 – 2024/25
(Key Decision – KD.22/19)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.32/19 considering aspects of Local Taxation decisions which needed to be made as part of the Budget process for 2020/21 onwards.

Set out within the report were the various considerations, including the levels of Council Tax for the City Council (including Parish Precepts), Council Tax Surplus calculations, Council Tax Base calculations, Local Support for Council Tax, and Business Rate Retention (including Pooling arrangements). A summary of the assumptions made was also provided at Section 4.

In conclusion the Deputy Leader moved the recommendations.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the contents of Report RD.32/19 including the current assumptions built into the MTFP with regard to local taxation issues;
2. Approved, for recommendation to Council as part of the budget process, the 2020/21 Local Support for Council Tax scheme as set out in paragraph 2.4.
3. Approved the continuation of involvement in the Cumbria Business Rate Pool arrangements for 2020/21, subject to the continuing involvement of the other partners with the final decision on participation being delegated to the Corporate Director of Finance and Resources.

Reasons for Decision

To make recommendations on aspects of Local Taxation decisions required to be made as part of the 2020/21 Budget process