

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 9 NOVEMBER 2020

BUDGET OVERVIEW 2021/22

The Deputy Leader introduced Agenda item A.1 which constituted the formal beginning of the 2021/22 Budget process. He reminded Members that the various reports listed under that item and which were under consideration by the Executive today would proceed to the Business and Transformation; Health and Wellbeing; and Economic Growth Scrutiny Panels. The Executive would then reconvene in December 2020 to assess the Scrutiny feedback on the Budget.

EX.122/20 BUDGET UPDATE - REVENUE ESTIMATES 2021/22 TO 2025/26 (Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

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

Subject Matter

The Deputy Leader submitted report RD.32/20 providing a summary of the Council's revised revenue base estimates for 2020/21, together with base estimates for 2021/22 and forecasts up to 2025/26 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 8 September 2020.

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 potential use of reserves, to enable a balanced budget position to be recommended to Council in February 2021.

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

Item A.3 refers

provisions to ensure that the services could be provided within those budgetary provisions and also contribute towards the savings target. Details of the COVID-19 income and budget monitoring shortfalls were documented at paragraph 5.9.

The current MTFP included a recurring savings requirement to be found by 2021/22 of £1 million.

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 2021/22 to 2025/26.

The Deputy Leader moved the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive:

- (i) Noted the revised base estimates for 2020/21 and base estimates for 2021/22;
- (ii) Noted the current MTFP projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken;
- (iii) Noted the initial budget pressures, bids and savings which needed to be taken into account as part of the 2021/22 budget process;
- (iv) Noted the review of the earmarked reserves as outlined in paragraph 9 and Appendix F.

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 2021/22 budget process

EX.123/20 REVIEW OF CHARGES 2021/22 - COMMUNITY SERVICES
(Key Decision – KD.25/20)

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.30/20 setting out the proposed fees and charges for 2021/22 relating to those services falling within the Community Services Directorate.

Item A.3 refers

The Deputy Leader informed the Executive that an Addendum to the report, providing an update and details of the proposed charge for refuse bins for new properties and also the charge of a second garden waste bin for 2021/22, had been circulated to all Members of the Council on 4 November 2020.

On the issue of car parking, the report recorded the proposal to simplify the permit fees and base those on the all-day charge in those car parks; and offer a 10% discount if a monthly/annual permit was purchased (plus a small administrative fee) for the applicable car parks. Therefore, the fees for permits would not be shown separately but there was opportunity to review the rate of discount offered.

In terms of pay and display tariffs, an increase of 3% was proposed, with changes to Paddy's Market to make that an all-day car park due to limited spaces and use. Due to lack of interest, it was further proposed to remove the early bird tariff from West Walls.

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

The original 2020/21 budgets and 2021/22 forecast income levels based upon the current charge structure and forecast volume was as detailed in the table on page 32 of the document pack. The charges highlighted within the report would result in an anticipated level of income of £2,518,400 against the MTFP target of £3,006,000. That represented a shortfall of £487,600 against the MTFP target.

The Deputy Leader moved the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive:

1. Had reviewed the proposed charges as set out in the body of Report CS.30/20, the Addendum and relevant appendices with effect from 1 April 2021, noting the impact those would have on income generation as detailed within the report.
2. Made the report of proposed charges and the Addendum 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.124/20 REVIEW OF CHARGES 2021/22 – ECONOMIC DEVELOPMENT
(Key Decision – KD.25/20)

Portfolio Economy, Enterprise and Housing

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

Subject Matter

The Deputy Leader submitted report ED.38/20 setting out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

The report set out the proposed charges in relation to Planning Services including 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 £595,200 against the Medium Term Financial Plan target of £637,000.

The Deputy Leader moved the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive agreed for consultation the charges, as set out in Report ED.38/20 and accompanying Appendices, with effect from 1 April 2021; 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.125/20 REVIEW OF CHARGES 2021/22 – GOVERNANCE AND REGULATORY SERVICES
(Key Decision – KD.25/20)

Portfolio Cross Cutting

Relevant Scrutiny Panel Health and Wellbeing; Business and Transformation

Subject Matter

The Deputy Leader submitted report GD.48/20 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 £845,300 in 2021/22 as summarised in the table at paragraph 5.9.1 of the report.

The Deputy Leader moved the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive agreed for consultation the charges as detailed within Report GD.48/20 and accompanying Appendices, with effect from 1 April 2021; 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.126/20 REVIEW OF CHARGES 2021/22 – LICENSING
(Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report GD.54/20 setting out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Governance and Regulatory Services Directorate.

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 fees were as outlined in attached Report GD.50/20.

The Deputy Leader then moved the report, which was seconded by the Leader.

Summary of options rejected that the charges detailed at Appendix A should not be approved

DECISION

That the Executive:

1. Noted the charges which were considered by the Regulatory Panel on 14 October 2020, with the exception of charges under the Scrap Metal Dealers Act 2013.
2. Approved the charges detailed at Appendix A under the Scrap Metal Dealers Act 2013 with effect from 1 April 2021.

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.127/20 REVISED CAPITAL PROGRAMME 2020/21 AND PROVISIONAL CAPITAL PROGRAMME 2021/22 TO 2025/26
(Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

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

Subject Matter

The Deputy Leader submitted report RD.33/20 detailing the revised Capital Programme for 2020/21, now totalling £19,390,400 together with the proposed method of financing; and highlighting an underspend of £714,250 against the profiled annual budget. Also summarised was the proposed programme for 2021/22 to 2025/26 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 was set out at Section 6 of the report.

The Deputy Leader moved the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the revised capital programme and relevant financing for 2020/21 as set out in Appendices A and B to Report RD.33/20;
2. Had given initial consideration and views on the proposed capital spending for 2021/22 to 2025/26 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 2021/22 budget process

EX.128/20 CORPORATE ASSETS – 3 YEAR REPAIR AND MAINTENANCE PROGRAMME 2021/22 TO 2023/24 (Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report GD.52/20 setting out the repair and maintenance programme budget proposals for the Council's corporate property assets for the three-year period 2021/22 to 2023/24, required to ensure that the legal responsibilities of the City Council were met. Background information was as detailed at Section 1.

In terms 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 an additional £100,000 allocated to further address maintenance backlog.

The allocation reflected the Council's current financial situation. In an ideal world outstanding maintenance would be reduced to a minimum, however, that was not possible in the current climate. The effect of maintaining a reduced budget would likely result in an increase in the number of properties awaiting maintenance, although that could be alleviated in part by disposal of properties with a high maintenance requirement.

The Deputy Leader moved the report, which was duly seconded by the Leader.

Summary of options rejected that approval should not be granted

DECISION

That the Executive approved:

1. The three-year revenue maintenance programme set out in Appendix A to Report GD.52/20 as part of the budget process.
2. The 2021/22 capital budget of £250,000 as part of the budget process.
3. The List of capital projects selected to meet the allocated capital budget of £250,000.

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.129/20 TREASURY MANAGEMENT QUARTER 2 2020/21 AND FORECASTS FOR 2021/22 TO 2025/26 (Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.34/20 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 2021/22 with projections to 2025/26 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 2021/22 with projections for 2025/26 were set out at Appendix C.

The Deputy Leader moved the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That Report RD.34/20 be received and the projections for 2021/22 to 2025/26 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.130/20 LOCAL TAXATION 2021/22 – 2025/26
(Key Decision – KD.25/20)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.35/20 considering aspects of Local Taxation decisions which needed to be made as part of the Budget process for 2021/22 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.

The Deputy Leader moved the report, which was duly seconded by the Leader.

Summary of options rejected that approval should not be granted

DECISION

That the Executive:

1. Noted the contents of Report RD.35/20 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 2021/22 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 2021/22 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 2021/22 Budget process