

Report to:

Cabinet 22 February 2021



Council Budget Reports 2021/22

Report of the Director of Finance and Transformation (s151 officer)

Purpose of the Report

1. To present to Cabinet the suite of reports to be considered by Council on 25 February 2021. These are:
 - General Fund Revenue Budget 2021/22 and Medium Term Financial Plan 2021/22 to 2023/24
 - Council Tax Discounts 2021/22.
 - Capital Strategy 2021/22 to 2023/24
 - Housing Revenue Account Budget 2021/22 and Beyond
 - Treasury Management Strategy 2021/22
2. To gain Cabinet approval to implement the executive decisions arising in the event that the Budget proposals are subsequently approved by Council.

Executive Summary

3. The reports are the suite of financial plans and assumptions forming the Council's budgets for 2021/22 and beyond. These show the budgetary details associated with the Leader's Budget Proposals.
4. The General Fund Revenue Budget 2021/22 and Medium Term Financial Plan 2021/22 to 2023/24 report also sets out the levels of Council Tax arising from the Leader's Budget Proposals for 2021/22. The resultant increase of 3.99% is in line with the referendum limits and includes a 2% Social Care Precept.

Recommendations

5. Cabinet is recommended to:-
 - i) Approve the Leader's Budget Proposals for 2021/22 and beyond as set out in the recommendations of each report and specifically;

- ii) Approve the Revenue Budget savings and Service expenditure allocations as set out in Appendix B (i) and D; subject to any budget amendments properly notified to and approved by Council in line with the Constitution;
- iii) Endorse the levels of Council Tax, noting the precepts of the Police and Crime Commissioner for Humberside and the Fire Authority are yet to be confirmed.
- iv) Note the comments of the Director of Finance and Transformation (section 151 Officer) on the robustness of the budget and the adequacy of reserves as set out in paragraph 66 of the General Fund Report.

6. **Reasons for Decisions**

To enable a set of clear proposals that will enable the Council to set a balanced budget for 2021/22 and to provide authorisation from Cabinet for the implementation of the budget savings, subject to the agreement by Council of the Budget.

7. **The Town Clerk (Monitoring Officer) has made the following statement:**

- 6.1 Before setting the level of the tax, the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years, and any amounts required to be transferred between funds. The tax itself must be sufficient to cover the difference between the agreed budget less government grants credited to the consolidated revenue account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous years.
- 6.2 In addition, following the implementation of the Local Government Act 2003, the Council's Chief Financial Officer (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer is also obliged to report to the Council if in relation to the previous financial year it appears that a controlled reserve is or is likely to be inadequate. A controlled reserve is one where the Secretary of State has, by regulation, defined the appropriate minimum level of reserve. The s151 officer must report the reasons for that situation, and the action, if any, which he considers it would be appropriate to take to prevent such a situation arising in relation to the corresponding reserve for the financial year under consideration.

6.3 Among the relevant considerations which Members must take into account in reaching their decisions will be the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992. Matters that the Council has to have regard to when undertaking consultation include:

1. Consultation must be undertaken at a formative stage in the decision making process inviting representation on one or more possible courses of action with a view to winnowing out errors in the decision-maker's provisional thinking
2. Consultation requires a genuine invitation for advice and a genuine receipt of that advice
3. It is permissible to narrow the range of options within which to consult and then decide
4. There is generally no obligation to consult upon options the decision maker has discarded, unless it is necessary to establish a fair basis for genuine consideration of options
5. Sufficient reasons for a proposal must be given to permit intelligent consideration and response
6. Adequate time must be given for consideration and response
7. The overriding requirement is for Fairness

6.4 In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the Director of Finance as Chief Financial Officer. The Director of Finance is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit Regulations 2003 to ensure that the Council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. (IA)

8. **Section 151 Officer Statement**

The proposals included in the Budget reports provide for balanced General Fund and Housing Revenue Accounts and a funded capital programme. Comments are provided within each report.

9. **Comments of Assistant Director of HR & OD**

The proposals to reach a balanced budget have some implications on staffing in terms of restrictions in recruitment, there may be some restructuring leading to staff having to be redeployed and where this is not possible there may be a small number of redundancies. The impact in terms of equality needs to be assessed with each decision taken in respect of balancing the budget.

10. **Comments of Overview and Scrutiny**

This report will be considered by the Finance and Value for Money Overview and Scrutiny Commission at its Budget meeting of Friday, 19 February, 2021. Any comments or recommendations made by the Commission will be tabled alongside the report at Cabinet. (Ref. Sc6034 (FH))

David Bell – Director of Finance and Transformation (Section 151 Officer)

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Officer Interests: None

Background Documents:

Implications Matrix

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	n/a
I have included any procurement/commercial issues/implications within the report	Yes

I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	n/a
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	Yes
I have included information about how this report contributes to the City Plan/ Area priorities within the report	Yes