

Report of the Cabinet

THE CABINET reports and recommends as follows: -

That they have referred the initial proposals on the Revenue Budget to the Scrutiny Co-ordinating Committee: -

- On 12 October 2023, Scrutiny Co-ordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2024/2025 – 2027/2028 report which was referred from the October Cabinet meeting:

The Scrutiny Committee notes the contents of the report including the medium-term financial plan and budget planning framework and is satisfied with the information provided.

The Committee would also recommend that serious consideration is once again given to limiting any rises in council tax given the current financial climate and the impact that this will have on residents of the City.

The Committee also acknowledges the work undertaken around the budget consultation and updating the Capital Strategy. The Committee remains committed to budget monitoring through further updates to the Committee and has no further comments to make at this time.

- On 7 December 2023, Scrutiny Co-ordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2024/2025 – 2027/2028 report which was referred from the December Cabinet meeting:

The Scrutiny Committee notes the contents of the report including the medium-term financial and budget planning framework and acknowledges the budget saving proposals as well as the remaining overall budget gap.

The Committee recognises the difficult financial situation that the Council continues to operate within and remains focused on monitoring the budget position through updates provided at this Committee and has no further comments to make at this time.

- On 8 February 2024, Scrutiny Co-ordinating Committee considered Budget and Service Reports on Collection Fund (Council Tax) 2023/2024, Capital Programme 2024/2025 to 2027/2028 and Treasury Management Policy and Strategy 2024/2025, including Prudential Indicators for 2024/2025 to 2027/2028 and Revenue Budget and Proposed Council Tax for 2024/2025 and Medium-term Financial Plan 2024/2025 to 2027/2028 reports which were referred from the 31 January Cabinet meeting:

The Scrutiny Coordinating Committee notes and acknowledges the information in the various reports as presented.

The Committee also acknowledges the financial pressures on the Council and its services as detailed throughout the report and notes the recommended Council Tax increase for 2024/25, which still needs to be approved by Council. The Committee also notes the proposed budget savings proposals within the reports and the outcome of the budget consultation that was undertaken.

Finally, the Committee recognises the work of Officers and Members in preparing the budgetary information presented to this committee and to other key stakeholders and has no further comments to make.

That they have also referred the proposals for Capital Programme Planning 2024/2025 – 2027/2028 to the Scrutiny Co-ordinating Committee: -

- On 7 December 2023, Scrutiny Co-ordinating Committee considered the Capital Programme Planning 2024/2025 – 2027/2028 and Capital Strategy report which was referred from the December Cabinet meeting:

The Scrutiny Committee notes the contents of the report including the overall capital commitments for the coming financial year, as well as the additional capital new start projects.

The Committee has nothing further to add at this time.

That they have also submitted the Treasury Management Policy and Strategy and prudential indicators within the attached report numbered 1 to the meeting of the Audit and Governance Committee: -

- On 2 February 2024, the Audit and Governance Committee was consulted specifically on the Treasury Management Policy and Strategy for 2024/2025.

The Committee noted the Treasury Management Policy and Strategy for 2024/2025 and the Prudential Treasury Management Indicators for 2024/2025 to 2027/2028.

The Committee noted the Borrowing and Investment Strategies contained within the report and that the Council continued to follow and adhere to fundamental principles in relation to the prudent investment of treasury balances. The Committee commended the work of officers in achieving a very positive treasury management performance over a number of years and were satisfied that sound arrangements were in place to enable this to continue.

The Committee noted their responsibility for ensuring effective scrutiny of the treasury management strategy and policies and that they would continue to receive quarterly performance reports.

Subsequently;

The following precept figures have been confirmed as those set out in the report to Cabinet on 31 January 2024:

- The precept figures of the Police and Crime Commissioner Northumbria (PCCN) will mean an increase of £13 (7.69%) at a Band D in the precept level for 2024/2025; and
- The precept figures of the Parish of Hetton Town Council will mean an increase of 2% in the precept level for 2024/2025.

The Tyne and Wear Fire and Rescue Authority has supplied its best estimate of their proposed precepts pending their meeting on 19 February 2024 and should any changes to the proposed precepts arise, a supplementary report would be prepared

and circulated. The proposed precept figures of the Tyne and Wear Fire and Rescue Authority (TWFRA) will mean an increase of 2.99% in the precept level for 2024/2025.

The position set out at Item 3 of the report as Determination of Council Tax 2024/2025 reflects the above notified 2024/2025 precept levels in respect of the Precepting Authorities.

NOTE:

In relation to the report numbered 2 below entitled “Revenue Budget and Proposed Council Tax for 2024/2025 and Medium-Term Financial Plan 2024/2025 to 2027/2028”, Appendix F has not been printed with this item, but the recommendation, which includes all of the substantive content of the report, is set out in full at item 3 overleaf.

1. Capital Programme 2024/2025 to 2027/2028 and Treasury Management Policy and Strategy 2024/2025, including Prudential Indicators for 2024/2025 to 2027/2028

That they have considered the attached report of the Director of Finance on:

- the proposed Capital Programme for 2024/2025;
- the Treasury Management Policy and Strategy for 2024/2025 (including specifically the Annual Borrowing and Investment Strategies);
- the Prudential Indicators for 2024/2025 to 2027/2028; and
- the Minimum Revenue Provision Statement for 2024/2025.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposed Capital Programme for 2024/2025;
- (ii) the Treasury Management Policy and Strategy for 2024/2025 (including specifically the Annual Borrowing and Investment Strategies);
- (iii) the Prudential Indicators for 2024/2025 to 2027/2028; and
- (iv) the Minimum Revenue Provision Statement for 2024/2025.

2. Revenue Budget and Proposed Council Tax for 2024/2025 and Medium Term Financial Plan 2024/2025 to 2027/2028

That they have considered the report of the Director of Finance which is at the following link [[Cabinet 31 January 2024](#)] on:

- (a) the overall revenue budget position for 2024/2025;
- (b) the projected reserves position as at 31st March 2024 and 31st March 2025 and advise on their sufficiency;

- (c) a risk analysis of the Revenue Budget 2024/2025;
- (d) a summary of the emerging medium term financial position facing the Council from 2024/2025 to 2027/2028, and associated Council Efficiency strategy;
- (e) any views received from residents, the local Business Sector, Trade Unions, Schools Forum, Change Council and Scrutiny Coordinating Committee on the proposed budget; and
- (f) the updated City Plan 2024-2035 including the indicative timeline.

The attached report of the Director of Finance to Council sets out the proposed Revenue Budget and Council Tax for 2024/2025 and Medium-Term Financial Plan 2024/2025 to 2027/2028 as recommended by Cabinet and updated to reflect the outcome of the Final Local Government Finance Settlement which was published on 5th February 2024. The Final Local Government Finance Settlement confirmed an increase in Core Spending Power for the Council of 7.8% based on the Government's assumption of a 4.99% increase in council tax with the ringfenced funding for Social Care confirmed in the Final Local Government Finance Settlement following significant lobbying to the Government through the provisional settlement consultation earmarked for that purpose within contingencies.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposals set out in the report including the proposed Revenue Budget for 2024/2025 set out at Appendix J;
- (ii) the Medium Term Financial Plan 2024/2025 to 2027/2028 including Efficiency Strategy as set out in Appendix G and the potential use of Capital Receipts Flexibility set out at section 9 of the report; and
- (iii) the adoption of the updated City Plan 2024-2035 including the indicative timeline.

3. Determination of Council Tax 2024/2025

That they have given consideration to a report of the Director of Finance making, subject to the approval of the Revenue Budget 2024/2025 (as set out at item 2 above), recommendations with respect to Council Tax levels for 2024/2025, and advising that the Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as approved by Council on 24 January 2024, and setting out a number of resolutions required to be made to determine the Council Tax, including the confirmed precepts from the Major Precepting Authorities and Hetton Town Council.

They therefore recommend to Council: -

- (i) to confirm the council tax requirement for the Council for 2024/2025 for its own purposes is £128,023,844 (excluding Parish precepts) and which represents a 4.99% increase in council tax for 2024/2025. It

should be noted that this includes the additional ringfenced social care precept of 2%.

(ii) it be noted that at its meeting on 24 January 2024 the Council approved the following amounts for the year 2024/2025 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):

- a) 74,484 being the amount calculated by the Council, in accordance with the above regulation of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by Local Authorities (Calculation of Tax Base) (England) Regulations 2012, as its council tax base for the year (Item T).
- b) 4,267 being the amount calculated by the Council, in accordance with the regulations, as the amount of its council tax base for the year for dwellings in the area of the Parish of Hetton Town Council.

(iii) That the following amounts be calculated by the Council for the year 2024/2025 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

- a) £806,459,315 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
- b) £678,372,533 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- c) £128,086,782 being the amount by which the aggregate at (a) above exceeds the aggregate at (iii) (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year including Parish precepts (Item R in the formula in Section 31A(4) of the Act).
- d) £1,719.6550 being the amount at (iii) (c) above (Item R) all divided by Item T ((ii) (a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £62,938 being the precept notified by Hetton Town Council as a special item under Section 34 of the Act.

- f) £1,718.8100 being the amount at (iii) (d) above less the result given by dividing the amount at (iii) (e) above by the Item T ((ii) (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- g) £1,733.5599 being the amount given by adding to the amount at (iii) (f) above, the amount at (iii) (e) divided by the amount at (ii) (b) above, calculated by the Council in accordance with Section 34 (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in the area of the Parish of Hetton Town Council.
- h) Charges relating to the Council

Valuation Band	Hetton Town Council £	All other parts of the Council's area £
A	1,155.71	1,145.87
B	1,348.32	1,336.85
C	1,540.94	1,527.83
D	1,733.56	1,718.81
E	2,118.80	2,100.77
F	2,504.03	2,482.73
G	2,889.27	2,864.68
H	3,467.12	3,437.62

being the amounts given by multiplying the amounts at (iii) (f) and (g) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (iv) it be noted that for the year 2024/2025, Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria have confirmed the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992:

Valuation Band	Police and Crime Commissioner for Northumbria £	Tyne and Wear Fire and Rescue Authority £
A	121.23	63.41
B	141.43	73.97
C	161.64	84.54
D	181.84	95.11
E	222.25	116.25
F	262.66	137.38
G	303.07	158.52
H	363.68	190.22

- (v) having calculated the aggregate in each case of the amounts at (iii) (h) and (iv) above and the estimated precepts in paragraph (iv), the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2024/2025 for each of the categories of dwellings shown below.

Valuation Band	Hetton Town Council £	All other parts of the Council's area £
A	1,340.35	1,330.51
B	1,563.72	1,552.25
C	1,787.12	1,774.01
D	2,010.51	1,995.76
E	2,457.30	2,439.27
F	2,904.07	2,882.77
G	3,350.86	3,326.27
H	4,021.02	3,991.52

- (vi) To determine that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of Council Tax for 2024/2025 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed council tax increase for 2024/2025 means that the Council does not need to hold a referendum on its proposed council tax. The provisions set out in Section 52ZC of the Local Government Finance Act 1992 require all billing authorities (councils and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic council tax each year if they exceed government guidelines set out annually.)

