

# ***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 7 November 2019, Scrutiny Co-ordinating Committee considered the Budget Planning Framework and MTFP 2020/2021 – 2023/2024 report which was referred from the October Cabinet meeting:

The Scrutiny Co-ordinating Committee recognised the continued work and commitment of Members and Officers in developing proposals for a balanced budget under the financial pressures and uncertainties outlined in the report. The Committee looked forward to receiving further budget reports including the outcome of the budget consultation and the provisional revenue support settlement over the coming months and had no further comments at present.

- On 16 January 2020, Scrutiny Co-ordinating Committee considered the Revenue Budget 2020/2021 – 2023/2024 Update and Provisional Revenue Support Settlement report which was referred from the January Cabinet meeting.

The Scrutiny Co-ordinating Committee was satisfied with the information presented including the update on the Local Government Finance Settlement, whilst acknowledging that a number of uncertainties remained.

- On 13 February 2020, Scrutiny Co-ordinating Committee considered the Revenue Budget and Proposed Council Tax for 2020/2021 and Medium Term Financial Plan 2020/2021 to 2023/2024 report which was referred from the February Cabinet meeting.

The Scrutiny Co-ordinating Committee welcomed the detailed budget report, noted the contents and were satisfied with the information as presented. The Committee would also put on record its thanks to the various departments, officers and members who have contributed to the finance report.

That they have also referred the proposals for Capital Programme Planning 2020/2021 – 2023/2024 to the Scrutiny Co-ordinating Committee

- On 7 November 2019, Scrutiny Co-ordinating Committee considered the Capital Programme Planning 2020/2021 to 2023/2024 and Capital Strategy report which was referred from the October Cabinet meeting:

The Scrutiny Co-ordinating Committee acknowledged the capital programme and the capital strategy and barring further detail on specific projects, was satisfied with the programme as presented.

- On 13 February 2020, Scrutiny Co-ordinating Committee considered the Capital Programme 2020/2021 to 2023/2024 and Treasury Management Policy and Strategy 2020/2021, including Prudential Indicators for 2020/2021 to 2023/2024 report which was referred from the February Cabinet meeting.

The Scrutiny Co-ordinating Committee welcomed the detailed capital report, noted the contents and were satisfied with the information as presented. The Committee would also put on record its thanks to the various departments, officers and members who have contributed to the finance report.

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 7 February 2020, the Audit and Governance Committee was consulted specifically on the Treasury Management Policy and Strategy for 2020/2021.

The Committee noted the Treasury Management Policy and Strategy for 2020/2021 and the Prudential Treasury Management Indicators for 2020/2021 to 2023/2024.

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 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 precept figures have been confirmed as those set out in the report to Cabinet on 11 February 2020:

- The precept figures of the Police and Crime Commissioner Northumbria (PCCN) will mean an increase of 1.99% in the precept level for 2020/2021;
- The precept figures of the Tyne and Wear Fire and Rescue Authority (TWFR) will mean an increase of 1.99% in the precept level for 2020/2021; and
- The precept figures of the Parish of Hetton Town Council will mean an increase of 0% in the precept level for 2020/2021.

The position set out at Item 3 of the report as Determination of Council Tax 2020/2021 reflects the above notified 2020/2021 precept levels in respect of all of the Precepting Authorities and the figures as reported remain unchanged.

#### **NOTE:**

**In relation to the report numbered 2 below entitled “Revenue Budget and Proposed Council Tax for 2020/2021 and Medium Term Financial Plan 2020/2021 to 2023/2024”, 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 below.**

**1. Capital Programme 2020/2021 to 2023/2024 and Treasury Management Policy and Strategy 2020/2021, including Prudential Indicators for 2020/2021 to 2023/2024**

That they have considered the attached report of the Executive Director of Corporate Services on:

- the proposed Capital Programme for 2020/2021;
- the Treasury Management Policy and Strategy for 2020/2021 (including specifically the Annual Borrowing and Investment Strategies);
- the Prudential Indicators for 2020/2021 to 2023/2024; and
- the Minimum Revenue Provision Statement for 2020/2021.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposed Capital Programme for 2020/2021;
- (ii) the Treasury Management Policy and Strategy for 2020/2021 (including specifically the Annual Borrowing and Investment Strategies);
- (iii) the Prudential Indicators for 2020/2021 to 2023/2024; and
- (iv) the Minimum Revenue Provision Statement for 2020/2021.

**2. Revenue Budget and Proposed Council Tax for 2020/2021 and Medium Term Financial Plan 2020/2021 to 2023/2024**

That they have considered the attached report of the Executive Director of Corporate Services on:

- (a) the overall revenue budget position for 2020/2021;
- (b) the projected reserves position as at 31 March 2020 and 31 March 2021 and advice on their level;
- (c) a risk analysis of the Revenue Budget 2020/2021;
- (d) a summary of the emerging medium term financial position facing the Council from 2020/2021 to 2023/2024, and associated Council Efficiency strategy; and
- (e) any views received from the local Business Sector, Trade Unions and Scrutiny Co-ordinating Committee.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposals set out in the report including the proposed Revenue Budget for 2020/2021 set out at Appendix J; and
- (ii) the Medium Term Financial Plan 2020/2021 to 2023/2024 including Efficiency Strategy as set out in Appendix G and the proposed use of Capital Receipts Flexibility set out at section 9 of the report.

### **3. Determination of Council Tax 2020/2021**

That they have given consideration to a report of the Executive Director of Corporate Services making, subject to the approval of the Revenue Budget 2020/2021 (as set out at item 2 above), recommendations with respect to Council Tax levels for 2020/2021, 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 29 January 2020, 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 its own purposes is £104,870,340 (excluding Parish precepts), representing a 3.99% increase in Council Tax for 2020/2021, including the social care precept of 2% which the Government allows councils to raise in addition to the basic council tax increase.
- ii) it be noted that at its meeting on 29 January 2020 the Council approved the following amounts for the year 2020/2021 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
  - a) 71,336 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) 3,868 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 Hetton Town Council.

- iii) That the following amounts be calculated by the Council for the year 2020/2021 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:
- a) £669,224,623 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) £564,298,352 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
  - c) £104,926,271 being the amount by which the aggregate at (iii) (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) £1,470.8740 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) £55,931 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act.
  - f) £1,470.0900 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) £1,484.5499 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

<b>Valuation Band</b>	<b>Hetton Town Council £</b>	<b>All other parts of the Council's area £</b>
A	989.70	980.06
B	1,154.65	1,143.40
C	1,319.60	1,306.74
D	1,484.55	1,470.09
E	1,814.45	1,796.78
F	2,144.35	2,123.46
G	2,474.25	2,450.15
H	2,969.10	2,940.18

being the amounts given by multiplying the amounts at (iii) (f) and (iii) (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 2020/2021, 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, for each of the categories of dwellings as follows:

<b>Valuation Band</b>	<b>Police and Crime Commissioner for Northumbria £</b>	<b>Tyne and Wear Fire and Rescue Authority £</b>
A	91.33	55.98
B	106.56	65.31
C	121.78	74.64
D	137.00	83.97
E	167.44	102.63
F	197.89	121.29
G	228.33	139.95
H	274.00	167.94



- (v) having calculated the aggregate in each case of the amounts at (iii) (h) and (iv) above and having received confirmation of the precept 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 2020/2021 for each of the categories of dwellings shown below.

<b>Valuation Band</b>	<b>Hetton Town Council £</b>	<b>All other parts of the Council's area £</b>
A	1,137.01	1,127.37
B	1,326.52	1,315.27
C	1,516.02	1,503.16
D	1,705.52	1,691.06
E	2,084.52	2,066.85
F	2,463.53	2,442.64
G	2,842.53	2,818.43
H	3,411.04	3,382.12

- (vi) To determine that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of Council Tax for 2020/2021 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax increase for 2020/2021 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 precepting 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.)

