

Report to Council



Date of Meeting	26 th February 2020
Portfolio	Leader of the Council and Leader of the Council and Cabinet Member for Finance
Report Author	Julie Murphy (For Children's & Neighbourhoods Directorates)
Public/Private Document	Public

Budget Report 2020/21

Executive Summary

- 1.1 The report presents for consideration and approval the recommendations of Cabinet arising from the meeting held on 12th February 2020 in respect of the Revenue Budget, Capital Budget, Council Tax 2020/21, Pay Policy, Capital Investment and Disposal Strategy, Treasury Management Strategy and Medium Term Financial Strategy.

Recommendation

- 2.1 Council consider the recommendations of Cabinet as follows:
- (1) The revenue estimates for 2020/21 as submitted in the Budget Report attached to this report be approved.
 - (2) The level of Council Tax increase at 3.99% be approved, including a precept of 2% for Adult Social Care.
 - (3) It be noted that, at its meeting on 18th December 2019, Council calculated the amount of 55,745 as its Council Tax base for the year 2020/21 in accordance with Section 31B of the Local Government Finance Act 1992, as amended by the Localism Act 2011.
 - (4) The following amounts now be calculated by the Council for the year 2020/21 in accordance with Sections 30 to 36 of the Act:-

£599,823,969.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.

£508,108,661.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

£91,715,308.00 being the amount by which the aggregate under Section 31A(2) exceeds the aggregate under Section 31A(3), calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year.

£1,645.27 being the amount calculated under Section 31A(4), divided by the Council Tax Base (55,745), in accordance with Section 31B of the Act, as the relevant basic amount of its Council Tax for the year, including 2% for Adult Social Care. The relevant basic amount being £143.84 for Adult Social Care and £1,501.43 for Other Council Expenditure.

	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Included in the Valuation Bands for Adult Social Care	95.89	111.88	127.86	143.84	175.80	207.77	239.73	287.68
Included in the Valuation Bands for other Council expenditure	1,000.95	1,167.78	1,334.60	1,501.43	1,835.08	2,168.73	2,502.38	3,002.86
Total	1,096.84	1,279.66	1,462.46	1,645.27	2,010.88	2,376.50	2,742.11	3,290.54

Being the amounts given by multiplying the amount calculated in accordance with Section 31B by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular 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 amount to be taken into account for the year in respect of categories of dwellings listed in different Valuation Bands.

- (5) It be noted that for the year 2020/21 the major precepting Authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:-

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Mayoral Police & Crime Commissioner	138.86	162.01	185.15	208.30	254.58	300.87	347.16	416.60
Mayoral General (including Fire Services)	60.63	70.73	80.84	90.95	111.16	131.37	151.58	181.90

- (6) Having calculated the aggregate in each case of the amounts at paragraphs 3(e) and 4 above, the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for the year 2020/21 for each part of its area and for each of the categories of dwellings.

Valuation Bands							
A £	B £	C £	D £	E £	F £	G £	H £
1,296.33	1,512.40	1,728.45	1,944.52	2,376.62	2,808.74	3,240.85	3,889.04

- (7) No discount be given in relation to the early payment of Council Tax bills for taxpayers paying the full 2020/21 amount.
- (8) The decision regarding any changes to the final allocations for the Dedicated Schools Grant be delegated to the Director of Children's Services and the Chief Finance Officer in consultation with the Cabinet Member for Children's Services and the Cabinet Member for Finance.
- (9) Consider and note the progress of the Integration of Health and Social Care services as set out in the Budget Report. In particular, the operation of the Pooled Fund budget for local authority and CCG services and the risks to the Council should the savings proposals not be achieved.
- (10) Approve the contribution to the Integrated Health & Social Care Pooled Fund budget of £102.339m in 2020/21.
- (11) Note that a one off payment of £250,000 from the Equalisation Reserve for 2020/21 has been allocated to the school meals catering service. This was approved by the Chief Executive on the basis of urgency and to enable consultation to be undertaken with schools.
- (12) Approve the updated Budget Carry Forward policy, as detailed in the Budget Report.
- (13) Approve the Capital Programme for 2020/21 to 2022/23 as detailed in the Budget Report.
- (14) Approve that new spending proposal requiring additional revenue and capital resources should only be considered during the financial year, in extreme circumstances as determined by the Budget and Policy Framework. The proposals would need to be reported to the next available Council meeting in accordance with the Budget & Policy Framework.
- (15) Note that the Council is currently considering the Advance Payment of Employer Pensions Contributions, as detailed in the Budget Report.
- (16) Pay Policy Statement – Budget Council are requested to approve the Pay Policy outlined in the Budget Report to comply with the requirements of Section 6 of the Localism Act 2011.

- (17) Treasury Management Strategy – Budget Council are requested to approve the Treasury Management Strategy outlined at Appendix 7 of the Budget Report.
- (18) Capital Investment and Disposal Strategy – Budget Council are requested to approve the Strategy outlined at Appendix 8 of the Budget Report.
- (19) Medium Term Financial Strategy – Budget Council are requested to approve the Strategy outlined at Appendix 9 of the Budget Report

Reason for Recommendation

- 3.1 The Council Tax Resolution is approved each year by Budget Council and calculates the level of Council Tax in accordance with Local Government Finance Act 1992 (as amended by the Localism Act 2011). The savings proposals recommended by Cabinet are incorporated into the calculation of the Council Tax requirement.
- 3.2 The Cabinet considered a report of the Chief Finance Officer in relation to the Revenue and Capital Budget and Council Tax at their meeting held on 12th February 2020.

Key Points for Consideration

- 4.1 This report draws together the Revenue Budget, Capital Programme and Council Tax 2020/21 report together with the Pay Policy, Treasury Management Strategy, Capital Investment and Disposal Strategy and Medium Term Financial Strategy 2020/21 to 2024/25, considered by Cabinet on the 12th February 2020.

The details are attached in the Budget Report 2020/21.

4.2 Alternatives Considered

The Council is legally obliged to set a balanced revenue budget. The budget setting process is complex and must be undertaken in a planned way. Whilst budgets are prepared in accordance with the approved guidelines a number of alternative options relating to savings proposals and budget pressures are considered as part of the overall budget setting process.

Costs and Budget Summary

- 5.1 The financial implications of the Revenue Budget and Capital Programme are included in the main body of the report.
- 5.2 Throughout the report reference is made to the Chief Finance Officer (CFO); the CFO is a statutory appointment pursuant to Section 151 of the Local Government Act 1972.

Risk and Policy Implications

6.1 Risk Implications

- 6.1.1 The separate report on the agenda 'The Local Government Act 2003' considers the overall budget risk.

6.2 Legal Implications

- 6.2.1 The Council Tax in England and Wales is provided for and governed by the provisions of the Local Government Finance Act 1992. Within this Act, the Council is designated as a "Billing Authority", responsible for the billing, collection and enforcement of Council Tax. The Council is under a duty to calculate the budget in accordance with Section 32 of the Local Government Finance Act 1992 and must make three calculations namely: an estimate of the Council's gross revenue expenditure; an estimate of anticipated income; and a calculation of the difference between the two. The amount of the budget requirement must be sufficient to meet the Council's budget commitments and ensure a balanced budget. The amount of the budget requirement must leave the Council with adequate financial reserves. The level of budget requirement must not be unreasonable having regard to the Council's fiduciary duty to its Council Tax payers and non-domestic rate payers.
- 6.2.2 Failure to make a lawful Council Tax by 11th March, in the financial year preceding that for which it is set, could have serious financial results for the Council and make the Council vulnerable to an Order from the Courts requiring it to make a Council Tax.
- 6.2.3 Section 151 of the Local Government Act 1972 places a general duty on local authorities to make arrangements for 'the proper administration of their financial affairs'. Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts, and authorities are required to take the Chief Financial Officer's report into account when setting the Council Tax.
- 6.2.4 Information must be published and included in the Council Tax demand notice. The Secretary of State has made regulations, which require charging authorities to issue demand notices in a form and with contents prescribed by these regulations.
- 6.2.5 There is also a duty under Section 65 of the 1992 Act to consult persons or bodies appearing to be representative of persons subject to non-domestic rates in each area about proposals for expenditure (including capital expenditure) for each financial year.

6.2.6 Following the House of Commons' approval of the Local Government Finance Report and Council Tax referendum principles for 2020/21 in early 2020, the Secretary of State will issue a Notice under Section 52ZY of the Local Government Finance Act 1992. This will require Section 151 officers to provide information demonstrating that an amount equivalent to the additional council tax has been allocated to adult social care.

6.2.7 The Equality Act 2010 includes a public sector equality duty which requires Councils when exercising functions to have due regard to the need to eliminate discrimination, harassment and victimization and other conduct prohibited under the Act and to advance equality of opportunity and foster good relations between those who share a "protected characteristic and those who do not share that protected characteristic". When a Budget proposal has implications for people covered by the Equality Act 2010, the Council must take into account of the Equality Duty and any particular impact on the protected group. An Equality Impact Assessment (EIA) for the Budget 2020/21 to 2022/23 is provided at Appendix A.

Consultation

7.1 Consultation on savings proposals was undertaken with Members, stakeholder groups, staff and service users as appropriate. Consultation ended on 13th December. The outcome of consultation is reported to Cabinet elsewhere on this agenda.

7.2 Corporate Overview and Scrutiny Committee and Joint Consultative and Negotiating Group have been consulted on the Revenue Budget and Capital Programme.

Background Papers	Place of Inspection
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For Further Information Contact:	Chris Mills , chris.millsjulie.murphy2@rochdale.gov.uk
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Equality Impact Assessment

What are you assessing? Please tick the appropriate box below.

Function	Strategy	Policy	Project	Other, please specify below
✓				

Service: Resources	Section: Finance
Responsible Officer: Julie Murphy	Name of function/strategy/ policy/ project assessed: Budget Report 2020/21
Date of Assessment: 31st January 2020	
Officers Involved: Julie Murphy and Service Directors	
1.What is the purpose of the function/strategy/policy/project assessed? <i>(Briefly describe the aims, objectives and purpose of the function/strategy/policy/project)</i>	
<p>The purpose of the Budget Report 2020/21 is to :-</p> <ul style="list-style-type: none"> • Provide information on the latest position on the 2019/20 revenue budget • Provide details on the Local Government Finance Settlement for 2020/21 • To approve the Rochdale BC's Revenue Budget and Capital Programme for 2020/21 • To approve the 2020/21 Council Tax for the Council • Note the precepts to be made on the Council for the Mayoral Police and Crime Commissioner and Mayoral General (including Fire Services). • To outline the Council's Medium Term Financial Strategy for 2020/21 to 2024/25. 	

The Council's Corporate Plan sets out the strategic direction and priorities of the Council. The Council's budget proposals are shaped by them.

2. Who are the key stakeholders?

The residents of the Borough

Those who pay Council Tax

Businesses

Employees of the Council

Members of the public that use Council Services

Partner Organisations

Voluntary Sector

The Greater Manchester Combined Authority

3. What is the scope of this equality impact assessment? That is, what is included in this assessment.

There are potential impacts as a result of any changes to:

- Council Tax
- Discretionary fees and charges
- Local Council Tax Support Scheme
- The revenue budget itself and in particular any service saving proposals incorporated.

This Equality Impact Assessment only covers the impact of changes due to Council Tax and is an overarching Equality Impact Assessment. The Discretionary fees and charges, the Local Council Tax Support Scheme and in particular any service saving proposals incorporated are considered as part of the approval processes for these areas. Below are the links to the reports on these areas which include a copy of the specific Equality Impact Assessments:

- Discretionary fees and charges
[Cabinet February 2019](#)
- Savings proposals incorporated
[Cabinet February 2019](#)
- Local Council Tax Support Scheme
[Cabinet December 2019](#)

<p>4.Which needs is this function/strategy/ policy/ project designed to meet?</p>
<p>This is designed to meet the overall budget setting for the Council for 2020/21. Once agreed, it is the high level framework that authorises services to incur costs and generate income through the activities they carry out.</p>
<p>5.Has a needs analysis been undertaken?</p>
<p>Within the overall budget setting process a number of assumptions are made around demographics and pay & prices.</p>
<p>6.Who is affected by this function/strategy/ policy/ project?</p>
<p>All those who pay council tax.</p>
<p>7.Who has been involved in the review or development of this function/strategy/ policy/ project and who has been consulted? State your consultation/involvement methodology.</p>
<p>Directors, Leadership Team and Members have been involved in the development of this policy.</p> <p>Consultation on savings proposals was undertaken with the, stakeholder groups, staff and service users as appropriate. Consultation ended on 13th December 2019. The outcome of consultation was reported to Cabinet on 12th February 2020.</p> <p>Consultation on the Capital Programme was undertaken during the Autumn as outlined in Section 5.5 of this report.</p> <p>The Budget Reports have also been included on the Council's website and members of the public are able to attend Committee meetings to make their comments known.</p>
<p>8.What data have you considered for this assessment and have any gaps in the data been identified. What action will be taken to close any data gaps?</p>
<p>Not applicable</p>
<p>9.Are there any other documents or strategies which are linked to this assessment? If so, please include hyperlinks to these documents below, where available.</p>
<p>The documents which are linked to this Equality Impact Assessment are the Discretionary Fees and Charges Reports and the Local Council Tax Support Scheme.</p> <ul style="list-style-type: none"> • Discretionary fees and charges Cabinet February 2019 • Local Council Tax Support Scheme Cabinet December 2019

10. What impact will this function/strategy/policy/project have on all the protected groups? This includes both positive and potentially negative impacts.

Race Equality

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Disabled People

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Carers

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Gender

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Age

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Armed Forces and Ex-Armed Forces Personnel

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Sexual Orientation

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Gender Reassignment

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Religion or Belief

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Pregnant Women or Those on Maternity Leave

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

Marriage or Civil Partnership

The proposed percentage increase in Council Tax for 2020/21 will apply to all Council Tax payers.

The Local Council Tax Support Scheme is designed to provide financial assistance to council tax payers who need assistance with the payment of their Council Tax and an Equality Impact Assessment was carried out in relation to the scheme.

11.What are your main conclusions from this analysis?

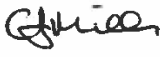
There are no equality issues arising from this analysis.

12.What are your recommendations?


There are no equality issues arising from this analysis.

13. What actions are you going to take to address the findings of this assessment? Please attach an action plan including details of designated officers responsible for completing these actions.

There are no equality issues arising from this analysis.

Signed (Completing Officer); 

Date: 17/02/2020

Signed (Head of Service): 

Date: 17/02/2020