

COUNCIL – 24TH FEBRUARY 2020

Report of the Cabinet

ITEM 6.1 2020/21 SPECIAL EXPENSES AND GENERAL FUND AND HRA REVENUE BUDGETS

Purpose of Report

To consider the recommendations of the Cabinet regarding the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2020/21. These budgets represent the financial spending plans for all services of the Council and it is a legal requirement to set a balanced budget each financial year. The report also incorporates the proposed Council Tax levy which must be set by the Council and the 2020/21 original budget for the HRA together with proposals to increase rent and service charges.

Recommendations and Reasons

The full Council Tax Recommendations, which the Council must consider in order to set a Council Tax Levy and General Fund and HRA revenue budgets for 2020/21, will be circulated once confirmation has been received from major preceptors regarding their precepts.

Policy Justification and Previous Decisions

The budget is essential to all policies of the Council and the setting of a Council Tax levy is a legal requirement of the Council. The rents also need to be within specified parameters set by the Department for Housing, Communities and Local Government.

At its meeting held on 13th February 2020, the Cabinet considered a report of the Budget Scrutiny Panel setting out its recommendations with regard to the Council's 2020/21 budget. Also considered was a report of the Head of Finance and Property Services which set out the proposed General Fund and HRA Revenue Budgets for 2020/21.

The following extracts from the minutes of the Cabinet's 13th February 2020 meeting detail its consideration of those reports:

"78. BUDGET SCRUTINY PANEL

Considered, a report of the Head of Strategic Support to consider the recommendations of the Budget Scrutiny Panel following its scrutiny of the Council's draft budget for 2020/21 (item 6 on the agenda filed with these minutes).

Councillor Parsons, Chair of the Budget Scrutiny Panel, presented the recommendations of the Panel.

The Strategic Director of Corporate Services assisted with consideration of the report.

The Budget Scrutiny Panel was thanked for its work in respect of the matter.

RESOLVED

- 1. that in respect of Panel Recommendation 1, Cabinet notes that officers will seek to facilitate a dialogue on the budget context and financial direction of travel as early as is practical in relation to the 2021/22 budget setting process;*
- 2. that in respect of Panel Recommendation 2, Cabinet notes that Members can expect to see periodic reports reflecting progress with the Council's transformation and commercialisation plans, and that Members can engage with proposals and general progress with transformation and commercialisation plans through the Council's existing governance structures (Cabinet, Council and Scrutiny);*
- 3. that in respect of Panel Recommendation 3, Cabinet notes that Members can expect to see periodic reports reflecting progress with the Council's transformation and commercialisation plans, and that Members can engage with proposals and general progress with transformation and commercialisation plans through the Council's existing governance structures (Cabinet, Council and Scrutiny);*
- 4. that in respect of Panel Recommendation 4, that communication styles, methods and language used should be an ongoing agenda item for the Budget Scrutiny Panel, allowing Members and Officers to work together and develop an effective communication programme in respect of the Council's budgets and plans;*
- 5. that in respect of Panel Recommendation 5, Cabinet notes that process controls will be considered as part of the planned series of service reviews that will be developed under the Council's Transformation Programme and that, in addition, approval limits set out within the Council's Financial Regulations and Financial Procedures will be reviewed to ensure limits appropriately reflect current circumstances;*
- 6. that in respect of Panel Recommendation 6, Cabinet notes the evaluation and approval processes set out in the response of the Strategic Director of Corporate Services to the Panel's recommendation (agenda page 15);*
- 7. that in respect of Panel Recommendation 7, Cabinet notes that a Cabinet report will be prepared (envisaged for March/April 2020) that will provide further detail on the Council's commercialisation plans and address the specific matters raised by the Panel;*

8. *that in respect of Panel Recommendation 8, Cabinet notes the Panel's observations;*
9. *that in respect of Panel Recommendation 9, Cabinet notes the Panel's observations;*
10. *that in respect of Panel Recommendation 10, Cabinet notes that the processes covering reporting and monitoring of the Capital Plan will be reviewed in the forthcoming financial year.*

Reason

1-10. *To acknowledge the work undertaken by and the views of the Budget Scrutiny Panel and to ensure implementation of scrutiny recommendations where agreed by the Cabinet."*

"79. GENERAL FUND AND HRA REVENUE BUDGETS 2020/21

Considered, a report of the Head of Finance and Property Services to consider the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2020/21, incorporating the proposed Council Tax levy, and the 2020/21 proposals to increase rent and service charges within the ring fenced Housing Revenue Account, for recommendation to Council (item 7 on the agenda filed with these minutes).

The Head of Finance and Property Services assisted with consideration of the report.

RESOLVED that Council be recommended:

1. *to approve the Original General Fund Revenue Budget for 2020/21 at £17,771,035 as set out in Appendix 1 to the report of the Head of Finance and Property Services;*
2. *to set a base Council Tax at £126.52 at Band D, an increase of £4.43 on the 2019/20 rate, as set out in Appendix 2 to the report of the Head of Finance and Property Services;*
3. *to set the Loughborough Special Levy at £76.46, a 1.99% increase on 2019/20 rate, as set out in Appendix 3 to the report of the Head of Finance and Property Services;*
4. *to approve the following item to the Loughborough Special Levy:*

ongoing annual funding of £5K for the Remembrance Day Parade for essential health and safety event management costs;
5. *to approve the Original HRA Budget for 2020/21 as set out in Appendix 5 to the report of the Head of Finance and Property Services;*

6. *to amend the HRA weekly rents in line with the Ministry of Housing, Communities and Local Government (MHCLG) guidance;*
7. *to amend the non-HRA dwelling properties in line with the Ministry of Housing, Communities and Local Government (MHCLG) guidance;*
8. *to approve the HRA service charges in accordance with the MHCLG Guidance;*
9. *to approve that the shop rents retain their current rents in accordance with an assessment by the Valuation Office;*
10. *to approve that garage rents retain their current rents in accordance with an assessment by the Valuation Office;*
11. *to approve that the Leasehold Management and Administration charge increases to £116.11 per annum;*
12. *that the Lifeline weekly charge is increased in line with MHCLG Guidance;*
13. *to determine that the basic amount of Council Tax for 2020/21 is not excessive according to the principles set out by the Secretary of State;*
14. *that delegation be given to the s151 Officer, in conjunction with the Lead Member for Finance and Property Services, to amend this report for Council in line with the final settlement and updated NNDR figures.*

Reasons

1. *So that the necessary finance is approved to carry out services in 2020/21.*
2. *So that the Council Tax can be set in accordance with legal and statutory requirements.*
3. *So that a Loughborough Special Levy can be set in accordance with legal and statutory requirements.*
4. *To enable items to be added to the Loughborough Special Rate: this being ongoing funding of £5K for the Remembrance Day Parade in order to comply with health and safety requirements in management of this event.*
5. *To ensure sufficient funding for the Housing Revenue Account in 2020/21.*
6. *To comply with social housing rents guidance.*

7. *To be consistent with the other council house stock.*
8. *To ensure the correct alignment of costs and service charges for tenants in accordance with best practice.*
9. *So that shop rents follow the assessment and guidance provided by the Valuation Office.*
10. *To increase the rent generated for garages in line with the guidance from the Valuation Office.*
11. *So that there is sufficient recovery of the costs associated with operating the leasehold flat and shop services.*
12. *So that there is sufficient recovery of the costs associated with operating the Lifeline service.*
13. *To comply with the requirements of the Local Government Finance Act 1992.*
14. *To update the budget report in line with final settlement figures once these are received.”*

The report of the Head of Finance and Property Services setting out the proposed General Fund and HRA Revenue Budgets for 2020/21 is attached as an Annex.

On 20th December 2019, the Strategic Director of Corporate Services exercised delegated powers to set the Council Tax base for 2020/21. This is used as part of the budget and precept calculations.

Implementation Timetable including Future Decisions and Scrutiny

Council is requested to consider the Cabinet report and the recommendations of Cabinet on 13th February 2020 alongside the full Council Tax Recommendations, which will be circulated once confirmation has been received from major preceptors regarding their precepts, in order to set a Council Tax Levy and General Fund and HRA revenue budgets for 2020/21.

The actual budgets will come into effect on 1st April 2020.

Report Implications

As detailed within the attached Annex.

Key Decision: Yes

Background Papers: Delegated decision DD190 2019/20 taken by Strategic Director of Corporate Services regarding Council Tax and NNDR Bases

Cabinet 13th February 2020, Item 6 Budget Scrutiny Panel and Item 7 General Fund and HRA Revenue Budgets Report

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