

## **Council**

### **Minutes of the meeting held on Friday, 3 March 2023**

#### **Present:**

The Right Worshipful, the Lord Mayor Councillor Ludford – in the Chair

#### **Councillors:**

Y Dar, Abdullatif, Akbar, Azra Ali, Ahmed Ali, Nasrin Ali, Alijah, Amin, Andrews, Baker-Smith, Bano, Bayunu, Bell, Benham, Bridges, Butt, Chambers, Chohan, Collins, Connolly, Cooley, Craig, Curley, M Dar, Davies, Doswell, Douglas, Evans, Flanagan, Foley, Gartside, Good, Green, Grimshaw, Hacking, Hassan, Hewitson, Hilal, Hitchen, Holt, Hughes, Hussain, Igbon, Ilyas, Iqbal, T Judge, Kamal, Karney, Lanchbury, Leech, J Lovecy, Lynch, Lyons, McHale, Midgley, Moran, Newman, Noor, Nunney, Ogunbambo, B Priest, H Priest, Rahman, Raikes, Rawson, Razaq, Reeves, Reid, Riasat, Richards, I Robinson, T Robinson, Rowles, Russell, Sadler, M Sharif Mahamed, Shilton Godwin, Simcock, Stanton, Taylor, Wheeler, Whiston, White, Wills, Wilson and Wright

#### **CC/23/15 The Lord Mayor's Announcements and Special Business**

The Lord Mayor informed the meeting that she had no announcements to make or urgent business for consideration.

#### **CC/23/16 Interests**

No interests were declared regarding any of the business contained within the Council Summons.

#### **CC/23/17 Minutes**

#### **Decision**

The Minutes of the meeting held on 1 February 2023 were approved as a correct record and signed by the Lord Mayor.

#### **CC/23/18 The Council's Revenue Budget and Capital Budget 2023/24**

The Council met to consider and set the 2023/24 budget, Council Tax resolution for 2023/24 and Collection Fund budget for 2023/24. In doing so, the proceedings of the Art Galleries Committee on 15 February 2023, which provided details of the Art Galleries budget for 2023/24 were submitted for approval. In addition, the part proceedings of the Executive on 15 February 2022 were submitted for approval, which contained details on the following:

- Revenue Budget Monitoring Update to the end of December 2022
- Capital Programme Budget Monitoring 2022/23

- Medium Term Financial Strategy and 2023/24 Revenue Budget
- Corporate Core Budget 2023/24
- Children and Education Services Budget 2023/24
- Public Health Budget 2023-26
- Adult Social Care Budget 2023/24
- Neighbourhoods Directorate Budget 2023/24
- Zero Carbon 2023/24 Budget Report
- Homelessness Directorate 2023/24 Budget
- Growth and Development Directorate Budget 2023/24
- Housing Revenue Account 2023/24 to 2025/26
- Schools Budget 2023/24
- Capital Strategy and Budget 2023/24 to 2025/26
- Treasury Management Strategy Statement 2023/24, including Borrowing Limits and Annual Investment Strategy
- Budget Equality and Poverty Impact Assessments
- Budget consultation results 2023/24

The Council also considered the following reports:-

- Details of proposed budget amendment
- The Council Tax Resolution 2023/24.

In addition, the Council received the minutes of the Resources and Governance Scrutiny Committee on 27 February 2023, that considered the Budget Report 2023-2024.

The Lord Mayor provided Council with an explanation of the process to be followed at the meeting to consider and vote on the amendment received and to then consider the documents submitted and in doing so set the Council's budget for 2023/24 by a named electronic vote.

Councillor Rahman moved the proceedings of the Art Galleries Committee and Councillor Craig moved the part proceedings of the Executive, both held on 15 February 2023.

Councillor Akbar then moved the Revenue and Capital Budgets and the recommendations as detailed in the reports submitted, this was seconded by Councillor Craig. Councillor Akbar then presented his budget statement for 2023/24 to Council.

The Lord Mayor reported that Councillor Johnson (Opposition Lead Member on Finance) had submitted her apologies for the meeting. A response to Councillor Akbar's budget statement was made by Councillor Bayunu.

The Council then considered an amendment to the Council Budget 2023/24.

The following amendment to the budget was proposed by Councillor Leech. The proposal was seconded by Councillor Good.

Budget amendment:

To allocate a budget of £900,000 to enable the Council to deliver a Council Tax rebate to Manchester residents in receipt of the maximum Council Tax support equivalent to increasing the maximum support from 82.5% to 85%; to be funded through the transfer from the General Fund Reserve.

To allocate a budget of £1,000,000 to invest additional resources into highways maintenance, to tackle the backlog of road and pavement repairs and gully repairs, to save money on future accident trip claims and to reduce the ongoing day to day maintenance costs on gully clearing and repairs; to be funded from the Budget Smoothing Reserve.

All proposals in this amendment are one off spending commitments for 2023/2024.

The Lord Mayor put the amendment to the vote. The outcome was recorded as follows:

**For the amendment (2)**

**Councillors:**

Good and Leech

**Against the amendment (85)**

**Councillors:**

Y Dar, Abdullatif, Akbar, Azra Ali, Ahmed Ali, Nasrin Ali, Alijah, Amin, Andrews, Baker-Smith, Bano, Bayunu, Bell, Benham, Bridges, Butt, Chambers, Chohan, Collins, Connolly, Cooley, Craig, Curley, M Dar, Davies, Doswell, Douglas, Evans, Flanagan, Foley, Gartside, Green, Grimshaw, Hacking, Hassan, Hewitson, Hilal, Hitchen, Holt, Hughes, Hussain, Igbon, Ilyas, Iqbal, T Judge, Kamal, Karney, Lanchbury, J Lovecy, Ludford, Lynch, Lyons, McHale, Midgley, Moran, Newman, Noor, Nunney, Ogunbambo, B Priest, H Priest, Rahman, Raikes, Rawson, Razaq, Reeves, Reid, Riasat, Richards, I Robinson, T Robinson, Rowles, Russell, Sadler, M Sharif Mahamed, Shilton-Godwin, Simcock, Stanton, Taylor, Wheeler, Whiston, White, Wills, Wilson and Wright

**Abstentions (0)**

The Lord Mayor declared the amendment lost.

The Lord Mayor then invited the Council to vote on the budget motion as the substantive budget resolution, and in doing so sought Council:-

1. To approve the minutes of the Art Galleries Committee held on 15 February 2023, to agree the Art Galleries budget for 2023/24.

2. To adopt the part proceedings of the Executive held on 15 February 2023, as included in the Council summons and in particular, the Council is recommended to approve as elements of the budget for 2023/24:
  - an increase in the basic amount of Council Tax (i.e., the Council's element of Council Tax) by 2.99% and Adult Social Care precept increase of 2%;
  - the contingency sum of £0.6m (para 6.61 of the Medium Term Financial Strategy and 2023/24 Revenue Budget report submitted);
  - corporate budget requirements to cover levies/charges of £70.060m, capital financing costs of £39.507m, additional allowances and other pension costs of £8.566m and insurance costs of £2.004m;
  - the inflationary pressures and budgets to be allocated in the sum of £22.586m; and delegate the final allocations to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources;
  - The estimated utilisation of £13.146m in 2023/24 of the surplus from the on-street parking and bus lane enforcement reserves, after determining that any surplus from these reserves is not required to provide additional off-street parking within the district; and
  - The planned use of, and movement in, reserves after any changes are required to account for final levies.
3. To note the minutes of the Resources and Governance Scrutiny Committee held on 27 February 2023, regarding the consideration of the overall budget proposals and in doing so to note the consideration of the budget by the five scrutiny committees.
4. To note the 2023/24 Budget Consultation Results report.
5. To note the Capital Programme Monitoring 2022/23 report.
6. That in considering the Capital Strategy and Budget for 2022/23 to 2025/26 report to:
  1. Approve the budget changes for the capital programme noted in section 6 of the report.
  2. Note the capital programme as presented in Appendix 3 (£443.8m in 2022/23, £426.8m in 2023/24, £199.7m in 2024/25 and £34.1m in 2025/26) which will require prudential borrowing of £551.8m to fund non-HRA schemes over the four-year period for which provision has been made in the revenue budget for the associated financing costs (within limits previously agreed).
  3. Note that the profile of spend is provisional, and a further update will be provided in the outturn report for 2022/23.

4. Delegate authority to:

- a) The Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to approve capital expenditure on schemes which have budget approval.
- b) The Chief Executive and Director of Highways in consultation with the Executive Member for Environment for the approval of the list of schemes to be undertaken under the Highways capital programme.
- c) The Chief Executive and Director of Highways to implement the Highways schemes in accordance with the Capital Approval process and after consultation with the Executive Member for Environment on the final details and estimated costs.
- d) The Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to add qualifying spend to save projects to the capital budget accordingly up to a maximum of £5m in 2023/24 and then £5m per year thereafter.
- e) The Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources to accelerate spend from later years, when necessary, within the programme subject to resource availability.
- f) The Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to agree and approve where appropriate the programme of schemes for the delivery of the corporate asset management programme.

7. That in considering the Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy report, to:

1. Approve the proposed Treasury Management Strategy Statement, and in doing so, approve the following:

- Borrowing Requirements listed in Section 7 of the report;
- Borrowing Strategy outlined in Section 10 of the report;
- Annual Investment Strategy detailed in Section 11 of the report;
- Prudential and Treasury Indicators listed in Appendix A of the report;
- MRP Strategy outlined in Appendix B of the report;

- Treasury Management Policy Statement at Appendix C of the report; and
- Treasury Management Scheme of Delegation at Appendix D of the report.

2. Delegate to the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources, the power to pursue any restructuring, rescheduling or redemption opportunities available, including amendments to the Treasury Management Strategy if the changes require it Any changes required to the Strategy will be reported to members at the earliest opportunity.

8. That in considering the Council Tax Resolution 2023/24 report, the Council was asked to:

1. Adopt those proceedings of the Executive on 15 February 2023 which contain details of the following:

- Medium Term Financial Strategy and Revenue Budget 2023/24
- Corporate Core Budget 2023/24
- Children and Education Services Budget 2023/24
- Public Health Budget 2023/24
- Adult Social Care Budget 2023/24
- Neighbourhoods Budget 2023/24 (1 – Communities and Equalities committee)
- Neighbourhoods Budget 2023/24 (2 – Environment and Climate Change committee)
- Zero Carbon Budget 2023/24
- Homelessness Budget 2023/24
- Growth and Development Budget 2023/24
- Housing Revenue Account 2023/24 to 2025/26
- Schools Budget 2023/24
- Capital Strategy and Budget 2023/24 to 2025/26
- Treasury Management Strategy Statement 2023/24, including Borrowing Limits and Annual Investment Strategy

2. Note the proposed Savings and Efficiencies as detailed in Appendix 1 of the report submitted.

3. Note the proposed Growth and Investments as detailed in Appendix 2 of the report submitted.

4. Note the position on Reserves as detailed in Appendix 3 of the report submitted.

5. Note that the Council Tax determination, included at Appendix 4 reflects the budget position.

6. Note the information on the referenda, as detailed in Section 3 of this report.
7. Approve the Council Tax determination attached as Appendix 4. The Council Tax determination:
  - Calculates the Council Tax requirement in accordance with Section 31A of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
  - Calculates a basic amount of Council Tax and an amount of tax for each valuation band (the Council element) in accordance with Sections 31B and 36 of the Local Government Finance Act, 1992, as amended.
  - Sets an amount of Council Tax for each category of dwellings in each valuation band in accordance with Section 30 of the Local Government Finance Act, 1992.
8. Approve the Treasury Management Strategy including borrowing requirement and strategy, Annual Investment Strategy, Prudential and Treasury Indicators, Minimum Revenue Provision strategy included at Appendix 5 of the report submitted.
9. Approve the Collection Fund Budget for 2023/24 as set out in Appendix 6 of the report submitted.

**For the Motion: (82)**

**Councillors:**

Abdullatif, Akbar, Azra Ali, Ahmed Ali, Nasrin Ali, Alijah, Amin, Andrews, Baker-Smith, Bano, Bell, Benham, Bridges, Butt, Chambers, Chohan, Collins, Cooley, Craig, Curley, M Dar, Y Dar, Davies, Doswell, Douglas, Evans, Flanagan, Foley, Gartside, Green, Grimshaw, Hacking, Hassan, Hewitson, Hilal, Hitchen, Holt, Hughes, Hussain, Igbon, Ilyas, Iqbal, T Judge, Kamal, Karney, Lanchbury, J Lovecy, Ludford, Lynch, Lyons, McHale, Midgley, Moran, Newman, Noor, Nunney, Ogunbambo, B Priest, H Priest, Rahman, Raikes, Rawson, Razaq, Reid, Riasat, Richards, I Robinson, T Robinson, Rowles, Russell, Sadler, M Sharif Mahamed, Shilton Godwin, Simcock, Stanton, Taylor, Wheeler, Whiston, White, Wills, Wilson and Wright

**Against the motion (0)**

**Abstaining (2)**

**Councillors:**

Good and Leech

## Decisions:

1. To approve the minutes of the Art Galleries Committee held on 15 February 2023, to agree the Art Galleries budget for 2023/24.
2. To adopt the part proceedings of the Executive, held on 15 February 2023, as included in the Council summons, and in particular, to approve as elements of the budget for 2023/24:
  - An increase in the basic amount of Council Tax (i.e., the Council's element of Council Tax) by 2.99% and Adult Social Care precept increase of 2%;
  - The contingency sum of £0.6m (para 6.61);
  - Corporate budget requirements to cover levies/charges of £70.060m, capital financing costs of £39.507m, additional allowances and other
  - Pension costs of £8.566m and insurance costs of £2.004m;
  - The inflationary pressures and budgets to be allocated in the sum of £22.586m; and delegate the final allocations to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources;
  - The estimated utilisation of £13.146m in 2023/24 of the surplus from the on-street parking and bus lane enforcement reserves, after determining that any surplus from these reserves is not required to provide additional off-street parking within the district; and
  - The planned use of, and movement in, reserves after any changes are required to account for final levies.
3. To note the minutes of the Resources and Governance Scrutiny Committee held on 27 February 2023, regarding the consideration of the overall budget proposals and in doing so to note the consideration of the budget by the five scrutiny committees.
4. To note the 2023/24 Budget Consultation Results report.
5. To note the Capital Programme Monitoring 2022/23 report.
6. That in considering the Capital Strategy and Budget for 2022/23 to 2025/6 report to:
  1. Approve the budget changes for the capital programme noted in section 6 of the report.
  2. Note the capital programme as presented in Appendix 3 (£443.8m in 2022/23, £426.8m in 2023/24, £199.7m in 2024/25 and £34.1m in 2025/26) which will require prudential borrowing of £551.8m to fund non-HRA schemes over the four-year period for which provision has been made in the revenue budget for the associated financing costs (within limits previously agreed).
  3. Note that the profile of spend is provisional, and a further update will be provided in the outturn report for 2022/23.



4. Delegate authority to:

- a) The Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to approve capital expenditure on schemes which have budget approval.
- b) The Chief Executive and Director of Highways in consultation with the Executive Member for Environment for the approval of the list of schemes to be undertaken under the Highways capital programme.
- c) The Chief Executive and Director of Highways to implement the Highways schemes in accordance with the Capital Approval process and after consultation with the Executive Member for Environment on the final details and estimated costs.
- d) The Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to add qualifying spend to save projects to the capital budget accordingly, up to a maximum of £5m in 2023/24 and then £5m per year thereafter.
- e) The Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources to accelerate spend from later years when necessary, within the programme subject to resource availability.
- f) The Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to agree and approve where appropriate the programme of schemes for the delivery of the corporate asset management programme.

7. That in considering the Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy, to:

1. Approve the proposed Treasury Management Strategy Statement, and in doing so approve the following:

- Borrowing Requirements listed in Section 7 of this report;
- Borrowing Strategy outlined in Section 10;
- Annual Investment Strategy detailed in Section 11;
- Prudential and Treasury Indicators listed in Appendix A;
- MRP Strategy outlined in Appendix B;
- Treasury Management Policy Statement at Appendix C; and
- Treasury Management Scheme of Delegation at Appendix D

2. Delegate to the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources, the power to pursue any restructuring, rescheduling or redemption opportunities available,

including amendments to the Treasury Management Strategy if the changes require it Any changes required to the Strategy will be reported to members at the earliest opportunity.

8. That in considering the **Council Tax Resolution 2023/24** report:

1. Adopt those proceedings of the Executive on 15 February 2023 which contain details of the following:
  - Medium Term Financial Strategy and Revenue Budget 2023/24
  - Corporate Core Budget 2023/24
  - Children and Education Services Budget 2023/24
  - Public Health Budget 2023/24
  - Adult Social Care Budget 2023/24
  - Neighbourhoods Budget 2023/24 (1 – Communities and Equalities committee)
  - Neighbourhoods Budget 2023/24 (2 – Environment and Climate Change committee)
  - Zero Carbon Budget 2023/24
  - Homelessness Budget 2023/24
  - Growth and Development Budget 2023/24
  - Housing Revenue Account 2023/24 to 2025/26
  - Schools Budget 2023/24
  - Capital Strategy and Budget 2023/24 to 2025/26
  - Treasury Management Strategy Statement 2023/24, including Borrowing Limits and Annual Investment Strategy
2. Note the proposed Savings and Efficiencies as detailed in Appendix 1 of the report submitted.
3. Note the proposed Growth and Investments as detailed in Appendix 2 of the report submitted.
4. Note the position on Reserves as detailed in Appendix 3 of the report submitted.
5. Note that the Council Tax determination included at Appendix 4 reflects the budget position.
6. Note the information on the referenda as detailed in Section 3 of this report.
7. Approve the Council Tax determination attached as Appendix 4. The Council Tax determination:
  - Calculates the Council Tax requirement in accordance with Section 31A of the Local Government Finance Act 1992 as amended by the Localism Act 2011.

- Calculates a basic amount of Council Tax and an amount of tax for each valuation band (the Council element) in accordance with Sections 31B and 36 of the Local Government Finance Act, 1992, as amended.
  - Sets an amount of Council Tax for each category of dwellings in each valuation band in accordance with Section 30 of the Local Government Finance Act, 1992.
8. Approve the Treasury Management Strategy including borrowing requirement and strategy, Annual Investment Strategy, Prudential and Treasury Indicators, Minimum Revenue Provision strategy included at Appendix 5 of the report submitted.
  9. Approve the Collection Fund Budget for 2023/24 as set out in Appendix 6 of the report submitted.

#### **Appendix 4: Council Tax Resolution for 2023/24**

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### **COUNCIL TAX**

#### **SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA** **IT IS RESOLVED:**

1. That the estimates prepared by the Executive at its meeting on 15 February 2023 be approved.
2. That it be noted that the Deputy Chief Executive and City Treasurer acting under delegated powers has determined the amount of 131,615.1 as the Council Tax base for Manchester for the year 2023/24 in accordance with Section 31A (3) of the Local Government Finance Act 1992 and regulations 3 to 5 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
3. That the following amounts can be now calculated by the Council for the year 20223/24 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:
  - (a) £1,760,525,101                      being the aggregate of the amounts which the Council estimates for the items set out in the Section 31A (2) (a) to (f) of the Act.

- (b) £1,547,538,333 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act.
- (c) £212,986,768 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Sections 31A(4) of the Act, as its council tax requirement for the year.
- (d) £1,618.25 being the amount at 3(c) above divided by the amount at 2 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.
- (e) Valuation Bands being the amount given multiplying the amount at 3(d) 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. The band bill is shown in the table below.

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,078.83	1,258.64	1,438.45	1,618.25	1,977.87	2,337.48	2,697.09	3,236.50

4. That it be noted that for the year 2023/24 the major precepting authorities have stated 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 shown below:

Precepting Valuation bands

Greater Manchester Mayoral Police and Crime Commissioner Precept:

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
71.96	83.96	95.95	107.95	131.93	155.92	179.91	215.90

Greater Manchester Mayoral General Precept (including Fire Services):

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
162.20	189.23	216.26	243.30	297.36	351.43	405.50	486.60

5. That, having calculated the aggregate in each case of the amounts at 3(e) and 4 above, 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 2023/24 for each of the categories of dwellings shown below.

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,312.99	1,531.83	1,750.66	1,969.50	2,407.16	2,844.83	3,282.50	3,939.00

## 1. CALCULATING THE COUNCIL TAX REQUIREMENT

### Section 31A Calculations

- 1.1 Section 31A of the Local Government Finance 1992 requires the Council to make three calculations:

1. an estimate of the Council's required gross revenue expenditure - Section 31A(2)
2. an estimate of its anticipated income (excluding that from council tax) and of reserves to be used to aid the revenue account - Section 31A(3)
3. a calculation of the difference between (i) and (ii) above, (i.e. the Council Tax requirement) - Section 31A(4)

- 1.2 In its Section 31A(2) calculation the Council is required to allow for the following:

**Section 31A(2)(a)** - the estimated revenue account expenditure it will incur during the year in performing its functions.

**Section 31A(2)(b)** - an appropriate allowance for contingencies for the year, e.g. for unforeseen occurrences such as disasters, storm damage, higher than expected inflation etc.

**Section 31A(2)(c)** - any raising of financial reserves for future expenditure - examples of this include payments into a redemption fund, internal insurance etc.

**Section 31A(2)(d)** - any revenue account deficit for a previous financial year which has not yet been provided for.

**Section 31A(2)(da)** – any amount estimated to be transferred from the general fund to the collection fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

**Section 31A(2)(e)** - any amount estimated to be transferred from the General Fund to the Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund deficit.

**Section 31A(2)(f)** - any amounts estimated to be transferred from the General Fund to the Collection Fund by direction of the Secretary of State under Section 98(5) of the Local Government Finance Act 1988 - including an estimate of the shortfall in the collection of Non-domestic Rates in excess of the allowance.

1.3. In its Section 31A(3) calculation the Council must calculate the aggregate of sums to be put against gross expenditure, namely:

**Section 31A(3)(a)** - estimated income from fees, charges, and government grants (including RSG) plus other sums payable into the general fund (but excluding council tax)

**Section 31A(3)(aa)** – Any amount estimated to be transferred from the collection fund to the general fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

**Section 31A(3)(b)** - any amount estimated to be transferred from the Collection Fund to the General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund surplus;

**Section 31A(3)(c)** - sums to be transferred from the Collection Fund to the General Fund pursuant to a direction of the Secretary of State under Section 98(4) of the Local Government Finance Act 1988 - including allowances for costs of collection of business rates;

**Section 31A(3)(d)** - the amount of financial reserves/balances which the authority intends to use towards meeting its revenue expenditure

1.4 On the basis of current estimates, the calculations would be as follows:

	<b>HRA</b> £	<b>Other</b> £	<b>Total</b> £
<u>Expenditure</u>			
Section 31A (2)(a)	117,448,000	1,593,112,768	1,710,560,768
Section 31A (2)(b)	0	600,000	600,000
Section 31A (2)(c)	0	35,548,000	35,548,000
Section 31A (2)(d)	0	13,816,333	13,816,333

Section 31A (2)(da)	0	0	0
Section 31A (2)(e)	0	0	0
Section 31A (2)(f)	0	0	0
<b>Total Expenditure</b>	117,448,000	1,643,077,101	1,760,525,101
<u>Income</u>			
Section 31A (3)(a)	(95,794,000)	(975,401,732)	(1,071,195,732)
Section 31A (3)(aa)		(341,667,000)	(341,667,000)
Section 31A (3)(b)	0	(33,232,000)	(33,232,000)
Section 31A (3)(c)	0	(1,121,601)	(1,121,601)
Section 31A (3)(d)	(21,654,000)	(78,668,000)	(100,322,000)
<b>Total Income</b>	(117,448,000)	(1,430,090,333)	(1,547,538,333)

**1.5 Council Tax Requirement under Section 31A(4)** being the amount by which the aggregate under Section 31A(2) exceeds the aggregate under Section 31A(3) is £212,986,768.

## 2. CALCULATING THE BASIC AMOUNT OF COUNCIL TAX

2.1. Section 31B of the Local Government Finance Act 1992 requires the Council to calculate the basic amount of its Council Tax - this is in effect the Council element of the Band D Council tax.

2.2 This calculated by applying the following formula:

$$R \div T$$

Where:

R: is the Council Tax requirement, and

T: is the approved Council Tax base

2.3 Calculating the Basic Amount of Council Tax

Council Tax Requirement £212,986,768

Divided by:

Council Tax Base 131,615.1

**Band D Basic Amount of Council Tax is: £1,618.25**

## Appendix 5: Prudential and Treasury Indicators 2023/24 to 2025/26

### Prudential and Treasury Indicators 2023/24 to 2025/26

Please note last year's approved figures are shown in brackets.

Treasury Management Indicators	2023-24		2024-25		2025-26
	%		%		%
<b>Estimated Financing Costs to Net Revenue Stream<sup>1</sup></b>	5.49%		5.37%		5.34%
<b>Estimated Net Income from Commercial and Service Investments to Net Revenue Stream</b>	10.8		10.6		10.4
	£m		£m		£m
<b>Authorised Limit - external debt</b>					
Borrowing	1,825.1	(1,816.1)	1,811.9	(1,816.1)	1,811.9
Other long-term liabilities	190.0	(190.0)	190.0	(190.0)	190.0
<b>TOTAL</b>	<b>2,015.1</b>	<b>(2,006.1)</b>	<b>2,001.9</b>	<b>(2,006.1)</b>	<b>2,001.9</b>
<b>Operational Boundary - external debt</b>					
Borrowing	1,620.5	(1,698.5)	1,726.3	(1,724.0)	1,728.1



Other long-term liabilities	190.0	(190.0)	190.0	(190.0)	190.0
<b>TOTAL</b>	1,810.5	(1,888.5)	1,916.3	(1,914.0)	1,918.1
<b>Estimated external debt</b>	1,465.5	(1,572.0)	1,611.0	(1,606.0)	1,613.3
<b>Upper limit for total principal sums invested for over 364 days</b>	0	(0)	0	(0)	0
<b>Estimated Capital Expenditure</b>					
Non - HRA	377.4	(223.2)	155.7	(51.3)	22.5
HRA	49.0	(31.9)	43.7	(14.6)	11.6
<b>TOTAL</b>	426.4	(255.1)	199.4	(65.9)	34.1
<b>Estimated Capital Financing Requirement (as at 31 March)</b>					
Non – HRA	1,854.7	(1,895.8)	1,893.7	(1,898.6)	1,845.4
HRA	321.8	(321.8)	322.5	(322.6)	323.9
<b>TOTAL</b>	2,176.5	(2,220.6)	2,216.2	(2,221.2)	2,169.3

<sup>1</sup> Note that for 2024-25 onward these are based on estimated net revenue budgets.

<b>Maturity structure of borrowing during 2023-24</b>	<b>Upper Limit</b>		<b>Lower limit</b>	
	under 12 months	70%	(70%)	0%
12 months and within 24 months	60%	(70%)	0%	(0%)
24 months and within 5 years	40%	(60%)	0%	(0%)
5 years and within 10 years	50%	(60%)	0%	(0%)

10 years and above	80%	(90%)	30%	(30%)
<b>Has the Authority adopted the CIPFA Treasury Management Code?</b>				Yes

The status of the indicators will be included in Treasury Management reporting during 2023/24. They will also be included in the Council's Capital Budget monitoring reports during 2023/24.

**Definitions and Purpose of the Treasury Management Indicators noted above (Indicators are as recommended by the CIPFA Prudential Code last revised in 2017)**

**Estimated Financing Costs to Net Revenue Stream**

The authority will set for the forthcoming year and the following financial years an estimate of financing costs to net revenue stream. The indicator recognises that ultimately all debts of a local authority fall on the taxpayer, and that therefore when considering affordability, it is important to review the scale of financing costs to net revenue.

**Estimated Net Income from Commercial and Service Investments to Net Revenue Stream**

The authority will set for the forthcoming year and the following financial years an estimate of new income from commercial and service investments to net revenue stream. The indicator is intended to show the financial exposure of the authority to the loss of income, and therefore the proportionality of commercial and service investment income to the authority's overall budget. This is a new indicator for 2023/24.

**Estimated Capital Expenditure**

The authority sets a capital budget for each financial year, which includes an estimate of the capital expenditure which might be incurred. The figures here also include changes to other long-term liabilities.

**Estimates Capital Financing Requirement**

The capital financing requirement reflects the authority's underlying need to finance capital expenditure and is based on all capital expenditure including that incurred in previous years.

**Authorised Limit - external debt**

The local authority will set for the forthcoming financial year and the following two financial years an authorised limit for its total external debt, excluding investments, separately identifying borrowing from other long-term liabilities. Other long-term liabilities include PFI's, service concessions and finance leases. Due to the introduction of IFRS16 (Leasing) on the 1st of April 2022, more of the Council's lessee leases will be classed as finance leases and will become other long-term liabilities, therefore the value will increase from previous years. Work is underway to determine the value of this change in accounting standards, but £20.0m has been added to the indicator at this stage and will be reviewed once this work is complete. This prudential indicator is referred to as the Authorised Limit.

### **Operational Boundary - external debt**

The local authority will also set for the forthcoming financial year and the following two financial years an operational boundary for its total external debt, excluding investments, separately identifying borrowing from other long-term liabilities. This prudential indicator is referred to as the Operational Boundary.

Both the Authorised Limit and the Operational Boundary need to be consistent with the authority's plans for capital expenditure and financing; and with its treasury management policy statement and practices. The Operational Boundary should be based on the authority's estimate of most likely, i.e. prudent, but not worst-case scenario. Risk analysis and risk management strategies should be considered.

The Operational Boundary should equate to the maximum level of external debt projected by this estimate. Thus, the Operational Boundary links directly to the Authority's plans for capital expenditure; its estimates of capital financing requirement; and its estimate of cash flow requirements for the year for all purposes. The Operational Boundary is a key management tool for in-year monitoring.

It will probably not be significant if the Operational Boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation and action as appropriate. Thus, both the Operational Boundary and the Authorised Limit will be based on the authority's plans. The authority will need to assure itself that these plans are affordable and prudent. The Authorised Limit will in addition need to provide headroom over and above the Operational Boundary enough for example for unusual cash movements.

### **Estimated external debt**

After the year end, the closing balance for actual gross borrowing plus (separately), other long-term liabilities are obtained directly from the local authority's Balance Sheet.

The prudential indicator for Estimated External Debt considers a single point in time and hence is only directly comparable to the Authorised Limit and Operational Boundary at that point in time. Actual external debt during the year can be compared.

### **Upper limit for total principal sums invested for over 364 days**

The authority will set an upper limit for each forward financial year period for the maturing of investments made for a period longer than 364 days. This indicator is referred to as the prudential limit for Principal Sums Invested for periods longer than 364 days.

The purpose of this indicator is so the authority can contain its exposure to the possibility of loss that might arise as a result of it having to seek early repayment or redemption of principal sums invested.

### **Maturity structure of new borrowing**

The authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowing. These indicators are referred to as the Upper and Lower limits respectively for the Maturity Structure of Borrowing.

### **Liability Benchmark**

The liability benchmark is a projection of the amount of loan debt outstanding that the authority needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cash flows. The benchmark shows the gap between the authority's outstanding loans at future points in time and the authority's need to for borrowing (the benchmark). It can be used to identify the debt maturities needed for new borrowing in order to match to future liabilities. This is a new indicator for 2023/24.

### **Local Prudential Indicators**

The Council has not yet introduced Local Prudential Indicators to reflect local circumstances but will review on a regular basis the need for these in the future.

**Appendix 6: Collection Fund Budget 2023/24**

<b>COLLECTION FUND BUDGET 2023/24</b>	<b>2023/24 Budget Estimate £'000</b>
<b><u>EXPENDITURE</u></b>	
<b><u>COUNCIL TAX</u></b> (Surplus) / Deficit B/fwd	6,052
<u>Precepts:</u>	
• Mayoral General (including Fire Services)	14,208
• Mayoral Police & Crime Commissioner	32,022
• City of Manchester	212,987
Total Precepts	259,217
<b>Council Tax Total Expenditure</b>	<b>265,269</b>
<b><u>BUSINESS RATES</u></b> (Surplus) / Deficit B/fwd	14,580
<u>Payments/Transfers:</u>	
• Mayoral General (including Fire Services)	3,451
• City of Manchester	341,667
Total Payments/transfers	345,118
<b>Business Rates Total Expenditure</b>	<b>359,698</b>
<b>Collection Fund Total Expenditure</b>	<b>624,967</b>
<b><u>INCOME</u></b>	
<b><u>COUNCIL TAX</u></b> Council Tax Income	268,619

Write Off of uncollectable amounts	(1,063)
Allowance for Impairment	(8,339)
Council tax receivable	259,217
<u>Contribution of Council Tax (surplus) / deficit:</u>	
<ul style="list-style-type: none"> <li>• Mayoral General (including Fire Services) 333</li> <li>• Mayoral Police &amp; Crime Commissioner 738</li> <li>• City of Manchester 4,981</li> </ul> <i>(Includes one third of 2020/21 in year deficit)</i>	
Total Contribution to Council Tax (surplus) / deficit	6,052
<b>Council Tax Total Income</b>	<b>265,269</b>
<b><u>BUSINESS RATES</u></b>	
Non-Domestic Business Rates Income	378,682
Enterprise Zone growth above baseline	(979)
Cost of Collection Allowance	(1,122)
Losses in Collection	(10,488)
Increase in Provision for Appeals	(20,976)
Business rates receivable	345,118
<u>Contribution of Business Rates (surplus) / deficit:</u>	
<ul style="list-style-type: none"> <li>• Mayoral General (including Fire Services) 146</li> <li>• City of Manchester 14,434</li> </ul> <i>(Includes one third of 2020/21 in year deficit)</i>	
Total Contribution to Business Rates (surplus) / deficit	14,580
<b>Business Rates Total Income</b>	<b>359,698</b>

<b>Collection Fund Total Income</b>	<b>624,967</b>
<b>MOVEMENT ON FUND BALANCE</b>	
Council Tax (Surplus) / Deficit C/fwd	0
Business Rates (Surplus) / Deficit Cfwd	0
<b>Collection Fund (Surplus) / Deficit</b>	<b>0</b>