

Manchester City Council Report for Resolution

Report to: Council – 4 March 2022

Subject: Council Tax Resolution for 2022/23

Report of: Deputy Chief Executive and City Treasurer, Chief Executive and City Solicitor

Summary

To advise the Council of the recommended Council Tax resolution and Collection Fund budget for 2022/23.

Recommendations

The Council is recommended to:

1. Adopt the part proceedings of the Executive on 16 February 2022 which contain details of the following:
 - Medium Term Financial Strategy
 - Revenue Budget 2022/23
 - Capital Strategy and Budget 2022/23 to 2024/25
 - Children and Education Services Budget 2022/23
 - Adult Social Care and Population Health Budget 2022/23
 - Neighbourhoods Budget 2022/23
 - Growth and Development Budget 2022/23
 - Corporate Core Budget 2022/23
 - Housing Revenue Account – 2022/23 to 2024/25.
 - Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy
2. Note the position on reserves as detailed in Appendix 2 to this report
3. Note that the Council tax determination included at Appendix 3 reflects the budget position
4. Note the information on the referenda as detailed in Section 3 of this report.
5. Approve the Council Tax determination attached as Appendix 3. 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.
6. Approve the Treasury Management Strategy including Borrowing requirement and strategy, Annual Investment Strategy, Prudential and Treasury Indicators, Minimum Revenue Provision strategy included at Appendix 4.
 7. Approve the Collection Fund Budget for 2022/23 as set out in Appendix 5 to this report.
 8. Proposed budget amendments as set out in Appendix 6 to this report.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This report presents to council the proposed Revenue Budget and consequent Council Tax for the City. Whilst this has no direct implications for the Our Manchester Strategy outcomes a balanced budget is a pre-requisite to the provision of the council services that support the outcomes and includes some transfer of resources to support key council objectives.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management

- Legal Considerations

Financial Consequences – Revenue

The approval sought above is a pre-requisite to setting a revenue budget for 2022/23. The revenue budget incorporates provision for financing of borrowing undertaken to fund capital expenditure.

Financial Consequences – Capital

Details of the proposed Capital Programme for the next five years were approved at Executive on 16 February 2022 and any financial implications are contained within the body of the report and attached schedules.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Provisional and final Local Government Finance Settlement papers,

Final Levy and Precept notifications from the Greater Manchester Mayoral Police and Crime Commissioner Precept and Greater Manchester Mayoral General Precept (including Fire Services),

Reports to the Executive on 16 February 2022, available [here](#), entitled:

- Medium Term Financial Strategy
- Revenue Budget 2022/23
- Capital Strategy and Budget 2022/23 to 2024/25
- Children and Education Services Budget 2022/23
- Adult Social Care and Population Health Budget 2022/23
- Neighbourhoods Budget 2022/23
- Growth and Development Budget 2022/23
- Corporate Core Budget 2022/23
- Housing Revenue Account – 2022/23 to 2024/25.
- Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy

1. Introduction

- 1.1 At its meeting on 16 February 2022 the Executive received a series of reports which outlined the position for 2022/23 setting a balanced one year budget in line with the Government's one year funding announcement. This reflected the budget position of the Council after the announcement of the final Local Government Finance Settlement on 7 February 2022. These reports included:
- (i) A Medium Term Financial Strategy which set out the framework for the budget strategy and the implications for the Council from the Finance Settlement. The report also set out the issues and legal requirements members need to consider prior to Council finalising the budget and setting the Council Tax for 2022/23.
 - (ii) The budget report for 2022/23 and a detailed report from each Directorate on proposals for service change to ensure they continue to meet the Council's objectives whilst managing within the available resource envelope.
- 1.2 Resources and Governance Scrutiny Committee met on 28 February 2022 to consider the full suite of budget reports. The Committee also considered the issues arising from individual budget reports that the chairs of the scrutiny committees wished to draw their attention to. The proceedings of the meeting and the recommendations made are set out in the minutes elsewhere on this agenda. The full suite of budget reports are listed as background documents. Members should take the contents of these into account when considering the recommendations in this report.

2. The Revenue Budget

- 2.1 The financial considerations contained within this report are based on the final Local Government Finance Settlement issued on 7 February 2022 which provided a one-year finance settlement.
- 2.2 The Finance Settlement was towards the positive end of expectations, although it assumes that local authorities will increase council tax by 2.99% being the 2% referendum limit and the 1% Adult Social Care precept.
- 2.3 The final budget cuts proposals are detailed in the directorate budget reports elsewhere on this agenda and listed in Appendix 1. The summary position by directorate is shown in table one.
- 2.4 In addition to the £4.017m new savings the 2022/23 proposals reported to Executive 17 November 2022 also included mitigations of £3.716m, bringing the total of new proposals and mitigations to £7.733m.
- 2.5 When added to the £4.820m approved last year (for 2022/23) this brings the total savings and mitigations for 2022/23 budget year to £12.553m.

Table 1: Savings Proposals for financial year 2022/23

	Approved in 2021/22	Proposed as part of 2022/23 budget setting	Total 2022/23 savings
	£'000	£'000	£'000
Children's	(152)	444	292
Adult's Social Care	3,326	560	3,886
Corporate Core	1,153	1,501	2,654
Neighbourhoods (inc Homelessness)	493	453	946
Growth and Development	0	59	59
Corporate budgets	0	1,000	1,000
Total	4,820	4,017	8,837

2.6 The updated position is set out in Table 2 below.

Table 2: Summary of Budget Position 2021/22(Latest) and 2022/23 (Proposed)

	Revised 2021/22	2022/23
	£'000	£'000
Resources Available		
Business Rates Related Funding	260,465	235,553
Council Tax	176,857	208,965
Grants and other External Funding	120,243	104,533
Use of Reserves	184,667	141,548
Total Resources Available	742,232	690,599
Resources Required		
<i>Corporate Costs:</i>		
Levies / Statutory Charge	66,580	67,871
Contingency	600	1,060
Capital Financing	39,507	39,507
Transfer to Reserves	117,594	24,638
<i>Sub Total Corporate Costs</i>	<i>224,281</i>	<i>133,076</i>
<i>Directorate Costs:</i>		
Additional Allowances and other pension costs	8,316	7,316
Insurance Costs	2,004	2,004
Inflationary Pressures and budgets to be allocated	4,551	28,212
Directorate Budgets	503,080	519,991
<i>Subtotal Directorate Costs</i>	<i>517,951</i>	<i>557,523</i>
Total Resources Required	742,232	690,599

Shortfall / (surplus)	0	0

**Although included within the table of levies / charges above, the Waste Levy is administered by the Neighbourhoods Directorate and will be included within their published budget. This is to recognise that the actions within the directorate to reduce the levels of waste delivered impact on future levies which are tonnage based. It has been included above to give a complete view of the levies / charges paid.*

2.7 The budget report for 2022/23 also provided details of proposed movements to and from reserves including those being used to support the revenue budget. The detailed updated schedule of reserves is attached at Appendix 2.

3 Setting the Council Tax for 2022/23

3.1 The Localism Act abolished council tax capping powers and replaced them with a requirement for an authority to hold a council tax referendum if it increases its council tax by an amount exceeding the limit set out in principles determined by the Secretary of State and approved by the House of Commons.

3.2 The final Local Government Finance Settlement on 7 February 2022 confirmed that for 2022/23, local authorities will be able to increase their relevant basic amount of council tax (average Band D council tax, excluding local precepts) by up to 2% without having to hold a referendum.

3.3 A number of additional flexibilities also apply to different categories of authority. Local authorities with responsibility for Adult Social Care can increase their council tax by up to 1% on top of the 2% core principle.

3.4 The Council Tax bill and the information that accompanies it, must highlight the part of the increase that is being used to fund adult social care. Further Information about spending on adult social care must be provided with the demand notice.

3.5 The Council will also include reference to the £150 one-off Energy Bills Rebate for households in council tax bands A –D on the bill, along with a leaflet prescribed by government. This rebate will be treated outside the council tax system.

3.6 This report is prepared on the basis that Manchester's Council Tax will increase by 2.99% in 2021/22; 1.99% attributable to the Council element and 1% for the Adult Social care precept. This equates to a Band D charge of £1,541.34 (an increase of £44.75 from 2021/22).

3.7 The Greater Manchester Mayoral General Precept has been confirmed at £102.95 for a Band D property, comprising of £71.20 for functions previously covered by the Fire and Rescue Authority (an increase of £5.00 from 2021/22) and £31.75 for other Mayoral General functions including bus reform (an increase of £7.00 from 2021/22).

3.8 The Greater Manchester Mayoral Police and Crime Commissioner Precept will increase by £10.00 to £228.30 for a Band D property which is in line with the flexibility provided by the Government to all Police and Crime Commissioners.

3.9 The Council Tax resolution is attached as Appendix 3.

4 **Prudential indicators**

4.1 The proposed Prudential Indicators for 2022/23 to 2024/25 are shown in Appendix 4.

5 **Collection Fund Budget**

5.1 Attached for approval at Appendix 5 is the proposed collection fund budget for 2022/23. The collection fund budget includes income and expenditure relating to both council tax and business rates.

6 **Robustness of the Budget**

6.1 The budget report to Executive set out the Council's legal duties to which members must have regard in formulating the budget and setting Council Tax. The report referred not only to the need for the Council to continue to meet its statutory duties but also to any remaining requirements for consultation, legal processes and equality impact assessments before a final decision can be taken.

6.2 The Deputy Chief Executive and City Treasurer has a duty to report on the robustness of the estimates made for the purposes of the calculation of Council Tax and the adequacy of the financial reserves. As reported to the Executive the Deputy Chief Executive and City Treasurer remains satisfied that the assumptions on which the budget has been proposed are manageable within the flexibility allowed by the General Fund balance. This and the fact that the Council holds other reserves that can be called on if necessary means that the Deputy Chief Executive and City Treasurer is confident that overall the budget position of the Council can be sustained within the overall level of resources available. However, to the degree that the budget savings are not achieved in a timely manner and reserves are called on to achieve a balanced position, the future year's savings will be prejudiced and further savings will need to be identified and implemented, including to replace reserve drawn downs, in order to ensure these are sufficient for future years.

Appendix 1 Savings and Efficiency Proposals 2022/23 to 2024/25

Service Area	Approval Year	Description of Saving	2022/23 £000	2023/24 £000	2024/25 £000	Total
Adult Social Care:						
Adults Services	2021/22	Better Outcomes Better Lives	3,326	3,477	0	6,803
Adults Services	2022/23	Share of 1% workforce savings target	444			444
Total Adults			3,770	3,477	0	7,247
Children's:						
Children's Services	2021/22	Placement Stability	415	0	0	415
Children's Services	2021/22	Market Development	376	0	0	376
Children's Services	2021/22	Improving Permanence	159	0	0	159
Education	2021/22	Schools Quality Assurance - reversal of one off saving	(150)	0	0	(150)
Children's Services	2021/22	Early Years – Core offer, Speech & Language	100	100	100	300
Children's Services	2021/22	Troubled Families - reversal of one off saving	(1,150)	0	0	(1,150)
Education	2021/22	DSG reserve - reversal of one off saving	(1,000)	0	0	(1,000)
Children's Services	2021/22	Children's Services Reserve - reversal of one off saving	(311)	0	0	(311)
Children's Services	2021/22	Children's Services Reserve - unrealised savings in 2022/23	1,409	(1,409)	0	0
Children's Services	2022/23	Share of 1% workforce savings target	560			560
Total Children's Services			408	(1,309)	100	(801)
Corporate Core:						
Legal Services	2021/22	Increased income and other budget reductions	25	0	0	25
ICT	2021/22	Savings on system	300	0	0	300

Service Area	Approval Year	Description of Saving	2022/23 £000	2023/24 £000	2024/25 £000	Total
		running costs, licensing and telephony				
HR/OD	2021/22	Staff Reduction	237	0	0	237
Operational Property	2021/22	Reduce office costs through rationalisation of buildings	591	304	(905)	(10)
CEX	2022/23	Registrars and Coroners - increased income from ceremonies	50	0	0	50
CEX	2022/23	Legal services increased fee income for works undertaken.	49	0	0	49
CEX	2022/23	Executive - Reduction in supplies and services budget from new ways of working	25	0	0	25
Corporate Services	2022/23	Capital Programmes - increased fee income and increased efficiencies from shared management arrangements with Northwards.	230	0	0	230
Corporate Services	2022/23	A reduction in supplies and services, printing, and mobile telephony costs through new ways of working	200	0	0	200
Corporate Services	2022/23	1% increase in vacancy factor across Corporate Services to reflect actual levels of staff turnover.	463	0	0	463
Corporate Core	2022/23	Share of 1% workforce savings target	484	0	0	484
Total Corporate Core			2,654	304	(905)	2,053
Neighbourhoods:						
Compliance	2021/22	Saving reversed after time limited use of external grant funding	(137)			(137)

Service Area	Approval Year	Description of Saving	2022/23 £000	2023/24 £000	2024/25 £000	Total
Parks, Leisure, Youth and Events	2021/22	Prioritise £12m capital investment to generate income streams	100	100	100	300
Parks, Leisure, Youth and Events	2021/22	Develop a strategy for Leisure collaborations	155	0	0	155
Operations and Commissioning	2021/22	Piccadilly Gardens community scheme	225	0	0	225
Highways	2021/22	Reduction in claims for accidents and trips due to the improvements to the roads and footways	150	0	0	150
Neighbourhoods	2022/23	Share of 1% workforce savings target	453	0	0	453
Total Neighbourhoods			946	100	100	1,146
Growth and Development:						
Investment Estate	2021/22	Establishing a new ground rental portfolio	0	300	0	300
Growth and Development	2022/23	Share of 1% workforce savings target	59	0	0	59
Total Growth and Development			59	300	0	359
Total savings all directorates			7,837	2,872	(705)	10,004
Corporate Budget	2022/23	Savings on historic pension costs and pension pre-payment	1,000	0	0	1,000
Total savings			8,837	2,872	(705)	11,004

Summary by approval year:	2022/23 £000	2023/24 £000	2024/25 £000	Total
Total approved in 2021/22	4,820	2,872	(705)	6,987
Total proposed as part of 2022/23 budget setting	4,017	0	0	4,017
Total Adults	8,837	2,872	(705)	11,004

In addition to the £4.017m savings included above the 2022/23 proposals reported to Executive 17 November 2022 also included mitigations of £3.716m, bringing the total of new proposals and mitigations to £7.733m.

When added to the £4.820m approved last year this brings the total savings and mitigations for 2022/23 budget year to £12.553m.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
LMS Reserve	14,559	0	0	14,559	0	0	14,559	0	0	14,559	School balances assumed year-end position. These are not MCC resource and so cannot be used by MCC. There are no further known schools planning to transfer to academy status.
Sub Total Schools	14,559	0	0	14,559	0	0	14,559	0	0	14,559	
<u>STATUTORY RESERVES</u>											
Bus Lane Enforcement Reserve	8,807	(4,992)	4,645	8,460	(4,992)	4,645	8,113	(4,992)	4,645	7,766	Ring-fenced reserve which can only be applied to specific transport and highways related activity.
On Street Parking	3,433	(4,191)	5,650	4,892	(3,500)	5,650	7,042	(3,500)	5,650	9,192	Ring-fenced reserve which can only be applied to specific transport and highways related activity.
Ancoats Square Reserve	2,649	(118)	0	2,531	(118)	0	2,413	(118)	0	2,295	Received from the Homes and Communities Agency to cover the revenue costs of maintaining Ancoats Square for a period of at least 25 years.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Spinningfields Commuted Sum	643	(9)	0	634	(9)	0	625	(9)	0	616	Funds received as part of an agreement to cover maintenance costs.
New Smithfield Market	440	0	0	440	0	0	440	0	0	440	To contribute towards funding the development plans for the market
Great Northern Square Maintenance Fund	249	(20)	0	229	(20)	0	209	(20)	0	189	Set up in accordance with the agreement with the developers of the site. It will be used for upgrading of the square.
Education Endowments	17	0	0	17	0	0	17	0	0	17	For future payments for school prizes
Landlord Licensing Reserve	0	0	100	100	0	100	200	0	100	300	Smoothing reserve
Art Fund Reserve	31	0	0	31	0	0	31	0	0	31	For art purchases
Manchester Safeguarding	96	0	0	96	0	0	96	0	0	96	Children's Safeguarding Board activity. The Board is a joint responsibility with MCC & CCG
Hulme High Street	283	0	0	283	0	0	283	0	0	283	
St Johns Gardens Contingency	896	(50)	0	846	(50)	0	796	(50)	0	746	Contribution from St Johns Gardens tenants for maintenance

Reserve	Forecast Closing Balance 31/03/22	With-drawal	Addition	Closing Balance 31/03/23	With-drawal	Addition	Closing Balance 31/03/24	With-drawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Planning Reserve	3,363	(429)	0	2,934	(480)	0	2,454	(484)	0	1,970	Used to smooth the volatility of planning fee income to avoid budget pressures if fee income drops
Adult Social Care	14,649	(9,834)	0	4,815	(4,815)	0	(0)	0	0	(0)	To support Adult and Social Care Improvement Plan
Social Care Reserve	2,095	(2,095)	0	0	0	0	0	0	0	0	To address pressures in social care, in particular the need to invest in early help and prevention in Children's Services and continued pressures on LAC budgets
Crime and Disorder	293	0	0	293	0	0	293	0	0	293	To fund the Anti Social Behaviour Team
Budget smoothing reserve	15,071	0	8,000	23,071	(15,590)	0	7,481	(7,481)	0	(0)	Planned use to smooth the impact of previous funding reductions on the revenue budget
Transformation Reserve	8,880	(333)	0	8,547	(335)	0	8,212	(1)	0	8,211	To support costs of future service change.
Airport Dividend reserve	39,040	(24,851)	0	14,189	(4,792)	0	9,397	(4,918)	0	4,479	The income in the reserve is from the Manchester airport

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											dividend which is then used a year in arrears to support the Medium Term Financial Plan
Land Charges Fees Reserve	267	(50)	0	217	(50)	0	167	(50)	0	117	To smooth the budget impact, planned to utilise in 2020/21
Inspirit Pension Reserve	22	0	5	27	0	5	32	0	5	37	Relates to potential pension liabilities
Insurance Fund	17,564	(500)	0	17,064	(3,500)	0	13,564	(500)	0	13,064	The insurance fund has been established to fund risks that are self insured.
Fleet Maintenance Reserve	47	0	20	67	(92)	25	0	(25)	25	0	Reserve created for smoothing the impact of vehicle repair and maintenance costs.
Taxi Licensing Reserve	366	0	0	366	0	0	366	0	0	366	This is a smoothing reserve to equalise the income and expenditure of running the function over financial years. Income ring-fenced by statute.
Newton Heath Market Reserve	22	0	0	22	0	0	22	0	0	22	To fund the future market provision

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Selective Licensing reserve	0	0	4	4	0	117	121	0	548	669	Costs for administering the reputable landlord initiative and ensure compliance
Investment Estate smoothing reserve	897	(816)	0	81	(533)	0	(452)	0	0	(452)	To manage budget pressures due to the volatility in investment income.
Homelessness Reserve	1,500	(1,500)	0	0	0	0	0	0	0	0	To offset potential increases in need / demand
Emergency Planning	100	(100)	0	0	0	0	0	0	0	0	Linked to GM wide Civil Contingencies schemes
Business Rates Reserve	136,487	(117,409)	16,638	35,716	(27,320)	0	8,396	(490)	0	7,906	To mitigate Business Rates income risk due to the volatility of assumptions
Cleopatra Reserve	663	0	0	663	0	0	663	0	0	663	To mitigate against the risk of additional claims
TOTAL Risk/Smooth	241,325	(157,917)	24,667	108,075	(57,507)	147	50,715	(13,949)	578	37,344	
RESERVES HELD TO FUND CAPITAL SCHEMES AND OTHER SPECIFIC PROJECT RELATED COSTS											
Investment Reserve	10,876	(1,463)	0	9,413	(1,876)	0	7,537	(1,504)	0	6,033	To deliver priority regeneration projects.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Enterprise zone reserve	2,238	(1,061)	1,500	2,677	(1,061)	1,500	3,116	(668)	1,500	3,948	To underwrite the borrowing costs for development in the Oxford Road Corridor
Capital Fund Reserve	70,575	(20,000)	18,747	69,322	(29,886)	6,397	45,833	(20,000)	968	26,801	Contribution to schemes which are supporting employment and growth, future carbon reduction investments and high priority strategic development opportunities in the city .
Capital Financing Reserve	34,730	0	0	34,730	0	0	34,730	0	0	34,730	To reflect increase in borrowing costs due to the Council's capital investment
Manchester International Festival	11,100	(1,107)	0	9,993	(1,154)	0	8,839	(1,204)	0	7,635	To fund agreed future Manchester International Festivals / Factory grant from the reserve. Grant agreement will be aligned to the Arts Council England funding cycle.
Eastlands Reserve	954	(5,118)	5,118	954	(4,389)	5,118	1,683	(2,550)	5,118	4,251	This reserve reflects the contribution from Manchester City

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											Football Club and will be used for various projects including English Institute of Sport.
Total to fund capital scheme and other specific relates costs	130,473	(28,749)	25,365	127,089	(38,366)	13,015	101,738	(25,926)	7,586	83,398	
RESERVES TO SUPPORT GROWTH AND REFORM											
Integration Reserve	9,295	(9,295)	0	0	0	0	0	0	0	0	The reserve is a joint resource between Manchester City Council and Manchester Clinical Commissioning Group to support the infrastructure requirements that underpin the mobilisation of the Locality Plan.
Town Hall Reserve	10,013	(2,330)	0	7,683	(3,699)	0	3,984	(3,984)	0	0	To fund commitments for the Town Hall Complex Programme
Supporting Families Reserve	1,427	0	0	1,427	0	0	1,427	0	0	1,427	This was set up to support the scaling up on the community

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											budgets work and to manage risk of Troubled Families grant ending.
Clean City	251	(221)	0	30	(30)	0	0	0	0	0	To support clean and green initiatives including litter bin installations, park clean ups, knotweed and hogweed clearances and other waste and recycling activities.
Our Manchester reserve	1,403	(1,403)	0	0	0	0	0	0	0	0	Additional investment made available as part of the 2017-2020 budget process to drive forward the delivery of Our Manchester initiatives
TOTAL	22,389	(13,249)	0	9,140	(3,729)	0	5,411	(3,984)	0	1,427	
GRANTS USED OVER ONE YEAR											
English Partnership (Homes and Communities Agency)	734	0	0	734	0	0	734	0	0	734	HCA approval required to Fund Development appraisal and Eastland's Project team

Reserve	Forecast Closing Balance 31/03/22	With-drawal	Addition	Closing Balance 31/03/23	With-drawal	Addition	Closing Balance 31/03/24	With-drawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Children's Services Reserve	2,396	(713)	0	1,683	(87)	0	1,596	0	0	1,596	Various Children's grants being used over more than one year
Other Grants and Contributions - Neighbourhood Services	506	0	0	506	0	0	506	0	0	506	Various local Environment scheme and initiatives i.e. 'clean up campaigns'
Other Grants and Contributions- Growth and Development	90	0	0	90	0	0	90	0	0	90	Unspent grants received in previous year
Fraud Fund	136	(68)	0	68	(68)	0	0	0	0	0	Unspent grant received in previous year
Deprivation of Liberty Grant	149	0	0	149	0	0	149	0	0	149	Unspent grant received in previous year
Asylum Seekers	263	(100)	0	163	(92)	0	71	0	0	71	This will fund the Local Authority Asylum Support Officer (LAASLO) project.
Collection Initiatives Reserve	3,652	(342)	0	3,310	(1,129)	0	2,181	0	0	2,181	Small reserves on Corporate Core
MAES Reserve	776	(250)	0	526	(449)	0	77	0	0	77	To fund Manchester Adult Education Services (MAES)
Flood management reserve	37	0	0	37	0	0	37	0	0	37	Unspent grant received in previous year
DFT004 DFT Grants	90	0	0	90	0	0	90	0	0	90	Unspent grant

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Reserve											received in previous year
Brexit Reserve	621	(20)	34	635	0	0	635	0	0	635	To fund BREXIT related costs that fall across more than one year
TOTAL	9,450	(1,493)	34	7,991	(1,825)	0	6,166	0	0	6,166	
<u>SMALL SPECIFIC RESERVES</u>											
<u>SMALL SPECIFIC RESERVES</u>	33	(5)	0	28	(5)	0	23	(5)	0	18	General reserve/ GM contributions. At the end of the year any surplus/deficit is adjusted in the reserve
Carbon Reduction Reserve	225	(225)	0	0	0	0	0	0	0	0	To fund revenue initiatives which support the target for Manchester to become a zero carbon city by 2038 at the latest and specifically, to support the delivery of the Council's 2020-25 Action Plan
Highways Commuted Sum	3,494	(89)	0	3,405	(89)	0	3,316	(89)	0	3,227	Contributions towards future maintenance
Cemeteries Replacement	561	0	80	641	(481)	80	240	0	80	320	To purchase land for burials
Councils with ALMOs Group (CWAG) Reserve	78	0	0	78	(10)	0	68	(10)	0	58	Held in relation to the running costs of the Council With

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											ALMOs Group which is administered by MCC
Graves and Memorials	97	0	0	97	0	0	97	0	0	97	Money held in trust for repair and development costs for gravestones
Trading Standards Reserve	129	(108)		21			21			21	Specific grants such as Tobacco control, control of migration etc.
Housing Compliance Reserve (Fixed Penalty Notices)	568	(139)	0	429	(141)	0	288	(144)	0	144	Revenue collected from enforcement activity is ring-fenced to functions related to Housing Compliance.
Community Safety Reserve	465	(100)	0	365	(100)	0	265	(100)	0	165	A collection of grants the majority of which require spending plans to be agreed with key partner organisations such as GM Police.
Litter Reserve (Fixed Penalty Notices)	72	0	0	72	0	0	72	0	0	72	
Great Ancoats Management Improvement Reserve	208	0	0	208		0	208			208	Specific reserve for use within defined areas within Great Ancoats. Spending plans still under discussion.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Social Value Fund	44	0	40	84	(40)	40	84	(40)	40	84	New Reserves for Social Funding income from successful tenders
Other Small Specific reserves	28	0	0	28	0	0	28	0	0	28	Small specific reserves
Total Small Specific Reserves	6,002	(666)	120	5,456	(866)	120	4,710	(388)	120	4,442	
TOTAL EARMARKED RESERVES	411,811	(202,442)	50,238	259,607	(102,484)	13,334	170,457	(44,498)	8,337	134,296	
Total General Fund Reserves	471,887	(214,792)	60,633	317,728	(111,173)	23,729	230,284	(53,187)	18,732	195,829	

COUNCIL TAXSETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA
RESOLVED

1. That the estimates prepared by the Executive at its meeting on 16 February 2022 be approved.
2. That it be noted that the Deputy Chief Executive and City Treasurer acting under delegated powers has determined the amount of 127,620.0 as the Council Tax base for Manchester for the year 2022/23 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 2022/23 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:
 - (a) £1,601,641,953 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) £1,404,936,333 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) £196,705,620 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) £1,541.34 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
£1,027.56	£1,198.82	£1,370.08	£1,541.34	£1,883.85	£2,226.37	£2,568.89	£3,082.67

4. That it be noted that for the year 2022/23 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
£152.20	£177.56	£202.93	£228.30	£279.03	£329.76	£380.50	£456.60

Greater Manchester Mayoral General Precept (including Fire Services):

A	B	C	D	E	F	G	H
£68.63	£80.07	£91.51	£102.95	£125.82	£148.70	£171.58	£205.90

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 2022/23 for each of the categories of dwellings shown below.

A	B	C	D	E	F	G	H
£1,248.39	£1,456.45	£1,664.52	£1,872.59	£2,288.70	£2,704.83	£3,120.97	£3,745.17

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:
- (i) an estimate of the Council's required gross revenue expenditure - Section 31A(2)
 - (ii) 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)
 - (iii) 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:

	HRA £	Other £	Total £
<u>Expenditure</u>			
Section 31A (2)(a)	99,617,000	1,325,501,620	1,425,118,620
Section 31A (2)(b)	0	1,060,000	1,060,000
Section 31A (2)(c)	1,702,000	60,633,000	62,335,000
Section 31A (2)(d)	0	9,079,333	9,079,333
Section 31A (2)(da)	0	0	0
Section 31A (2)(e)	0	104,049,000	104,049,000
Section 31A (2)(f)	0	0	0
Total Expenditure	101,319,000	1,500,322,953	1,601,641,953
<u>Income</u>			
Section 31A (3)(a)	(85,629,000)	(768,953,478)	(854,582,478)
Section 31A (3)(aa)	0	(294,713,000)	(294,713,000)
Section 31A (3)(b)	0	(24,042,000)	(24,042,000)
Section 31A (3)(c)	0	(1,116,855)	(1,116,855)
Section 31A (3)(d)	(15,690,000)	(214,792,000)	(230,482,000)
Total Income	(101,319,000)	(1,303,617,333)	(1,404,936,333)

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 £196,705,620.

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	£196,705,620
Divided by:	
Council Tax Base	127,620.0

Band D Basic Amount of Council Tax is: £1,541.34

APPENDIX 4

Prudential and Treasury Indicators 2022/23 to 2024/25

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

Treasury Management Indicators	2022-23		2023-24		2024-25
	%		%		%
Estimated Financing Costs to Net Revenue Stream¹	5.8%		6.2%		6.1%
	£m		£m		£m
Authorised Limit - external debt					
Borrowing	1,816.1	(1,737.3)	1,816.1	(1,737.3)	1,816.1
Other long-term liabilities	190.0	(190.0)	190.0	(190.0)	190.0
TOTAL	2,006.1	(1,927.3)	2,006.1	(1,927.3)	2,006.1
Operational Boundary - external debt					
Borrowing	1,580.2	(1,591.5)	1,698.5	(1,626.3)	1,724.0
Other long-term liabilities	190.0	(190.0)	190.0	(190.0)	190.0
TOTAL	1,770.2	(1,781.5)	1,888.5	(1,816.3)	1,914.0
Estimated external debt	1,414.3	(1,454.3)	1,572.0	(1,501.8)	1,606.0
Upper limit for total principal sums invested for over 364 days	0	(0)	0	(0)	0
Estimated Capital Expenditure					
Non - HRA	498.2	(286.3)	223.2	(131.9)	51.3
HRA	39.4	(45.5)	31.9	(3.2)	14.6
TOTAL	533.1	(331.8)	255.1	(135.1)	65.9
Estimated Capital Financing Requirement (as at 31 March)					
Non – HRA	1,794.5	(1,792.1)	1,895.8	(1,849.6)	1,898.6
HRA	321.0	(301.0)	321.8	(301.8)	322.6
TOTAL	2,115.5	(2,093.1)	2,220.6	(2,151.4)	2,221.2

¹ Note that for 2021-22 onward these are based on estimated net revenue budgets.

Maturity structure of borrowing during 2021-22	Upper Limit		Lower limit	
under 12 months	70%	(80%)	0%	(0%)

12 months and within 24 months	70%	(80%)	0%	(0%)
24 months and within 5 years	60%	(70%)	0%	(0%)
5 years and within 10 years	60%	(70%)	0%	(0%)
10 years and above	90%	(90%)	30%	(20%)
Has the Authority adopted the CIPFA Treasury Management Code?				Yes

The status of the indicators will be included in Treasury Management reporting during 2022/23. They will also be included in the Council's Capital Budget monitoring reports during 2022/23.

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 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.

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 5

COLLECTION FUND BUDGET 2022/23	2022/23 Budget Estimate £'000
<u>EXPENDITURE</u>	
<u>COUNCIL TAX</u> (Surplus) / Deficit B/fwd	(14,791)
<u>Precepts:</u>	
• Mayoral General (including Fire Services)	13,138
• Mayoral Police & Crime Commissioner	29,136
• City of Manchester	196,706
Total Precepts	238,980
Council Tax Total Expenditure	224,189
<u>BUSINESS RATES</u> (Surplus) / Deficit B/fwd	102,369
<u>Payments/Transfers:</u>	
• Mayoral General (including Fire Services)	2,977
• City of Manchester	294,713
Total Payments/transfers	297,690
Business Rates Total Expenditure	400,059
Collection Fund Total Expenditure	624,248
<u>INCOME</u>	
<u>COUNCIL TAX</u>	
Council Tax Income	250,241
Write Off of uncollectable amounts	(980)
Allowance for Impairment	(10,281)
Council tax receivable	238,980
<u>Contribution of Council Tax (surplus) / deficit:</u>	
• Mayoral General (including Fire Services)	(745)
• Mayoral Police & Crime Commissioner	(1,788)
• City of Manchester	(12,258)
<i>(Includes one third of 2020/21 in year deficit)</i>	
Total Contribution to Council Tax (surplus) / deficit	(14,791)
Council Tax Total Income	224,189
<u>BUSINESS RATES</u>	
Non Domestic Business Rates Income	334,997
Enterprise Zone growth above baseline	(475)

COLLECTION FUND BUDGET 2022/23	2022/23 Budget Estimate £'000
Cost of Collection Allowance	(1,117)
Losses in Collection	(16,750)
Increase in Provision for Appeals	(18,965)
Business rates receivable	297,690
<u>Contribution of Business Rates (surplus) / deficit:</u>	
• Mayoral General (including Fire Services)	1,024
• City of Manchester	101,345
<i>(Includes one third of 2020/21 in year deficit)</i>	
Total Contribution to Business Rates (surplus) / deficit	102,369
Business Rates Total Income	400,059
Collection Fund Total Income	624,248
MOVEMENT ON FUND BALANCE	
Council Tax (Surplus) / Deficit C/fwd	0
Business Rates (Surplus) / Deficit Cfwd	0
Collection Fund (Surplus) / Deficit	0

Proposed budget amendments

Amendment (1): Proposed by Councillor M Dar, seconded by Councillor Battle.

Across Ancoats and Beswick residents raise the problem of commuter and visitor parking on a regular basis.

In Beswick following Eastlands development, Labour Councillors secured first the Etihad Parking Scheme and now the wider Eastlands Parking scheme. The Council will continue to ensure this is extended effectively.

The Council is proud of Ancoats and New Islington and the vibrant new communities that have been created, but too often residents are blighted by commuter parking. For example, many residents on roads such as Weybridge Road, Chippenham Road, Woodward Street and the surrounding area have raised regular problems with parking. The City Council should bring forward a local parking scheme in Ancoats that benefits residents and is funded from the proceeds of development in the area and complements the residents parking scheme in other parts of the ward. Work will begin to bring forward a formal consultation with residents early in the new financial year.

The proceeds from developer contributions are yet to be agreed, they are expected to be in the region of £4m which could be used in part to fund a residents parking scheme. The forecast impact on the reserves position should this amendment be supported is shown below. The revenue budget will be updated at the point the reserves are drawn down.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Closing Balance 31/03/24	Closing Balance 31/03/25
	£000	£000	£000	£000	£000	£000
Reserves Position per Appendix 2	471,887	(214,792)	60,633	317,728	230,284	195,829
Potential revision to Capital Fund reserve		(4,000)	4,000	0	0	0
Revised reserves position following amendment	471,887	(218,792)	64,633	317,728	230,284	195,829

Amendment (2): Proposed by Councillor Good, seconded by Councillor Leech.

To allocate a budget of £1m to enable the Council to deliver additional local road safety and traffic calming schemes in areas of need; to be funded through a transfer from the Bus Lane Enforcement Reserve.

A budget of £960k to be allocated to enable the Council to continue the Parks in Partnership funding of £30k for each of the 32 wards of the city, for a further year, to be funded from the On-street Parking Reserve.

To allocate an additional £1m to the budget to improve basic services and

street cleaning, to bring it in line with the Council's proposed budget for 2023/24 and 2024/25, to be funded from the increase to the business rates reserve. All proposals in this amendment are one off spending commitments for 2022/2023.

The impact on the reserves position should this amendment be supported is shown Below. The revenue budget will be updated at the point the reserves are drawn down.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Closing Balance 31/03/24	Closing Balance 31/03/25
	£000	£000	£000	£000	£000	£000
Reserves Position per Appendix 2	471,887	(214,792)	60,633	317,728	230,284	195,829
Potential revision to Bus Lane Enforcement reserve	0	(1,000)	0	(1,000)	(1,000)	(1,000)
Potential revision to On Street Parking reserve	0	(960)	0	(960)	(960)	(960)
Potential revision to Business Rates reserve	0	(1,000)	0	(1,000)	(1,000)	(1,000)
Revised reserves position following amendment	471,887	(217,752)	60,633	314,768	227,324	192,869

Council should note that reserves have been built up over time, are earmarked for specific purposes and are required to be maintained at a sustainable level. To that end they can only be used once. The Council uses its reserves to support the budget strategy with some reserves earmarked to smooth some of the impact of funding changes and to invest in delivery capacity. It is important that a robust position is held on reserves and these are replenished as part of the budget strategy.