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**Report of the Chief Officer – Financial Services**

**Report to Council**

**Date: 27th February 2019**

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**Subject: Revenue budget 2019/20 – Conservative Amendments**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**1. Introduction**

- 1.1. This report provides Members of Council with comments on the robustness of the proposals contained in the amendments to the budget motion in the name of Councillor Alan Lamb.

**2. Robustness of the budget**

- 2.1 The Local Government Act (Part II) 2003 places a requirement on the Council that when making decisions on the setting of the council's budget and the council tax, they must consider a report from the council's statutory finance officer (the Chief Officer - Financial Services) on the robustness of the budget and the adequacy of reserves within the proposals. The report of the Chief Officer – Financial Services at item 6(i) on the council summons includes at section 11 comments to this effect in respect of the proposed budget motion.
- 2.2. Given this requirement, in considering any proposed amendment to the budget motion, members must also consider the comments of the Chief Officer – Financial Services on the robustness of the proposals. These comments supplement those contained in the main report.

### 3. Proposed amendments

- 3.1 Councillor Alan Lamb's amendments to the budget motion set out his proposals showing areas of additional spend and the sources of funding which are largely self-explanatory. In considering these amendments, the Chief Officer Financial Services would wish members of Council to be aware of the following:
- (a) Amendments 7, 9, 10, 11, 12, 15, 16 and 17 propose a reduction in the funding of full-time Trade Union Conveners, a freeze on all increments for Principal Officers and equivalent and above and ceasing the payment of overtime at double-time rates. These form part of employees' terms and conditions of employment that can only be achieved either through collective agreement with the Trade Unions or through the dismissal and re-engagement of staff on new contracts of employment. The amendments assume that they could be achieved within a six month timescale.
  - (b) Amendment 3 contains contract savings at the RERF (Recycling and Energy Recovery Facility). This amendment assumes Veolia continue to perform below the level of the contractual target for recycling and would be subject to negotiations with Veolia in respect of any variation to the terms of the contract at the RERF.
  - (c) Amendment 7 seeks a contribution of £0.2m from the North and West Yorkshire Business Rates Pool which would be used to support high street initiatives where there is no BID (Business Improvement District) operating. Receipt of this contribution will be the subject of a bid to the Pool and additional spend should not be incurred until the contribution has been secured.
  - (d) Amendment 19 seeks to provide additional investment in the Special Educational Needs Statutory Assessment and Provision (SENSAP) Team to clear the backlog of Educational Health and Care (EHC) through the use of Schools balances, which are to be repaid in future years. Since these balances are being applied to resource revenue expenditure, future budgets will require the identification of further saving proposals to fund the continued provision of this service if required and also to repay these balances.
  - (e) Amendment 20 proposes an injection of £0.5m into the Capital Programme, to be funded through Commuted Sums to invest in a rent to buy housing company model. Further work will be required to ensure that any legal requirements are satisfied and that detailed governance arrangements underpinning this proposal would need to be in place before implementation.
  - (f) Amendment 23 seeks to remove charges to self-payers for the Sheltered Warden service through the use of the Sheltered Housing reserve. Since a reserve is being applied to resource revenue expenditure, future year's budgets will require the identification of further saving proposals to fund the removal of these charges.
  - (g) Amendments 1, 7, 13 and 18 contain savings and spending proposals which are interdependent which creates additional risks to the budget. Where possible, this risk should be managed by not committing to the additional spend until the additional savings have been realised or clearly identified.

- 3.2 Should these budget amendments be approved, they will be subject to the council's procedures for further consultation and will need to be informed by equality impact assessments as appropriate.
- 3.3 These budget amendments do not have any impact on the council's general reserve.

#### **4. Overall conclusion**

- 4.1 In conclusion, whilst the proposals in the amendments will collectively increase the risks associated with the delivery of the council's budget, and these risks are set out in section 14.6 of the 2019/20 Revenue Budget and Council Tax report, the amendments to the budget motion in the name of Councillor Alan Lamb will not materially impact on the overall robustness of the council's budget for 2019/20 or the adequacy of its general fund reserves as at 31<sup>st</sup> March 2020.