
Report of the Chief Officer - Financial Services

Report to Council

DATE: 27th February 2019

Subject: Revenue budget 2019/20 – Liberal Democrat 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 Stewart Golton.

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 Golton'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 25, 28, 29, 30 and 31 propose a freeze on increments for all staff. This forms 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 29 proposes an injection of £13.5m into the Capital Programme for an anaerobic digester to be funded through prudential borrowing. Of this, £4.29m would be phased into the 2019/20 programme. At this stage, the £13.5m cost is based on preliminary estimates and therefore would be subject to the development of a more detailed business case including an assessment of value for money and procurement.
- c) Amendment 25 proposes an injection of £1.85m, funded by prudential borrowing, into the Capital Programme in respect of the provision of a new residential home for children. At this stage the £1.85m cost is based on preliminary estimates and therefore would be subject to the development of a more detailed business case including an assessment of value for money and procurement.
- d) Amendment 26 seeks to fund the provision of sanitary products to school children for the alleviation of 'period poverty' through the use of the Public Health reserves. 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 provision of this service.
- e) Amendment 35 requires the application of Commuted Sums to establish a Local Housing Company. The detailed governance arrangements underpinning this proposal would need to be in place before implementation.
- f) A number of savings and spending proposals in the various amendments 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

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 Cllr Stewart Golton 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 31st March 2020.