

REPORT OF the Deputy Chief Executive

REPORT TO COUNCIL

DATE: 26th February 2014

SUBJECT: REVENUE BUDGET 2014/15 – CONSERVATIVE AMENDMENT

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 Andrew Carter.

2. ROBUSTNESS OF ESTIMATES

- 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 Deputy Chief Executive) on the robustness of the budget and the adequacy of reserves within the proposals. The report of the Deputy Chief Executive at item 5 (i) on the Council Summons includes at section 8 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 Deputy Chief Executive on the robustness of the proposals. These comments supplement those contained in the main report.

3. PROPOSED AMENDMENT

- 3.1 Councillor Andrew Carter'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 Deputy Chief Executive would wish members of Council to be aware of the following:

- (a) In amendment 1 a freeze on the Council Tax may have an impact on the income base of the Council going forward and the freeze grant is only certain for the next two years.
- (b) Amendments 1 and 10 propose a reduction in the funding of full time union convenors and trade union meetings and a freeze on all increments for Principal Officers and above. As these form part of employees' terms and conditions of employment they can only be achieved either by agreement with the Trade Unions or through the dismissal and reengagement of staff on new contracts of employment. The amendments assume that they could be achieved within a six month timescale. Amendment 10 also assumes that when implemented, the remaining six months of increments are removed from Principal Officer staff who received them in April 2014.
- (c) In amendment 1, there are proposals for reductions in running costs totalling £400k. These are in addition to reductions already contained in the proposed budget. In addition, the amendment proposes a reduction in spend on agency staff targeted at support, administrative and management levels, and £435k represents around 15% of anticipated agency staffing spend in these areas. A reduction of this size would therefore need careful management to prevent any adverse impact on service delivery.
- (d) Amendment 1 also proposes an increase in advertising income which will require new sites to be identified and will be subject to planning and highways consideration and market demand.
- (e) In amendment 3, additional car parking income is assumed, although this is subject to ensuring this proposal complies with planning policies.
- (f) Amendment 9 proposes an injection into the capital programme on the basis of additional capital receipts being generated and therefore additional expenditure should not be committed until the receipts have been realised.
- (g) In amendments 4, 5, 6, 7 and 8 the cumulative effect is to increase the use of general fund reserves by £1m which would result in general fund reserves of £20.7m as at 31st March 2015, which is within the tolerance limit under the risk based reserves strategy.

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.

4. OVERALL CONCLUSION

The Budget Motion to Council reflects a significant reduction in funding and as such contains savings proposals which carry varying degrees of risk. This is set out in section 8 of the main budget report and in each of the specific Directorate reports attached.

In conclusion, whilst the amendments to the Budget Motion in the name of Cllr Andrew Carter imply further risks to the main proposals, they will not materially impact on the overall robustness of the Council's estimates for 2014/15 or the adequacy of its general fund reserves as at 31st March 2015.