

**Report of the Deputy Chief Executive**

**Report to Council**

**Date: 22<sup>nd</sup> February 2017**

**Subject: Revenue budget 2017/18 – 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 Andrew Carter.

**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 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 10 (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 Deputy Chief Executive on the robustness of the proposals. These comments supplement those contained in the main report.

**3. Proposed amendments**

- 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) Amendments 2, 3, 4 and 9 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 2 and 9 collectively propose a reduction of £500k to the Resources and Housing directorate budget to be achieved through the implementation of efficiencies in the revenue spending on back-office IT systems. It is uncertain at this stage as to what impact this level of reduction would have on service delivery.
  - (c) Amendment 12 proposed an injection of £5m into the capital programme, to be funded through additional borrowing, to create a fund to support and encourage small and medium-sized house builders to build on priority regeneration sites and to support the sector. The detailed governance arrangements underpinning this proposal would need to be in place before implementation.
  - (d) 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.
- 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 Budget amendment 3 proposes a contribution of £500k to the general reserves.

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

The budget motion to Council reflects a significant reduction in funding and cost pressures and as such contains savings proposals which carry varying degrees of risk. This is set out in section 11 of the main revenue budget report and in each of the specific directorate reports attached.

In conclusion, whilst the proposals in the amendments will collectively increase the risks associated with the delivery of the council's budget, the amendments to the budget motion in the name of Cllr Andrew Carter will not materially impact on the overall robustness of the council's budget for 2017/18 or the adequacy of its general fund reserves as at 31<sup>st</sup> March 2018.