

Robustness of the Revenue Budget 2022/23

Date: 23rd February 2022

Report of: Chief Officer Financial Services

Report to: Council

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- 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.
- This report provides Members of Council with comments on the robustness of the proposals contained in the various party amendments to the budget motion.
- In particular, it focuses on scenarios whereby a number of amendments could be agreed by Council and the extent to which these amendments from different parties could be inter-related.
- The Council's strategic ambitions can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints. This is the primary purpose of the Medium-Term Financial Strategy which then provides the framework for the determination of Council's annual revenue budget for which the proposals for 2022/23 are contained in the '2022/23 Revenue Budget and Council Tax' report. This report informs Members of any potential impact of proposed amendments on the robustness of the budget and the adequacy of reserves within the 2022/23 budget proposals.

Recommendations

- a) It is recommended that Council note that there are a number of proposed amendments to the budget motion which are inter-related, which members of Council need to be aware of in considering the 2022/23 budget.

Why is the proposal being put forward?

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 7(i) on the council summons includes at section 11 comments to this effect in respect of the proposed budget motion.
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 impact of any amendment upon the robustness of the budget and adequacy of reserves. Individual budget robustness reports for each party's budget amendments have been produced and these accompany the amendments themselves which are to be considered at Council on the 23rd February 2022. It has also now been identified that a number of the proposed amendments from different parties are inter-related, which members of Council need to be aware of in considering the various budget amendments. As such the comments in this report supplement those contained in the main report and those included in budget robustness reports for each party's amendments.

Proposed amendments

3. There are a number of amendments which are proposing to reduce the same budget which, if all agreed, would be in excess of the available budgetary provision in the 2022/23 budget:
 - (a) Amendment 1 in the name of Councillor Lamb, amendment 26 in the name of Councillor Golton, amendment 36 in the name of Councillor Finnigan and amendment 38 in the name of Councillor Dobson all assume use of the savings resulting from a reduction in budgeted contribution to Leeds 2023, to be used to fund the re-introduction of 37 additional PCSOs in Leeds. Cumulatively these amendments represent a reduction of £5.328m in the contribution to Leeds 2023, which is in excess of the available budget.
 - (b) Amendment 17 in the name of Councillor Lamb and amendment 37 in the name of Councillor Finnigan both assume savings from a reduction in the funding for full-time Trade Union Convenors. Cumulatively these amendments represent a reduction of £0.610m in spend on full-time Trade Union Convenors which is in excess of the available budget.
4. There are then a number of budget amendments which are proposing similar changes to the budget, either where increasing expenditure or reducing income, but varying in how the proposed change is funded. All are detailed in the table below:

Members Special Responsibilities Allowances	Amendment 37 in the name of Councillor Finnegan Amendment 40 in the name of Councillor Blackburn
A reduction in respect of Trade Union convenors	Amendment 17 in the name of Councillor Lamb Amendment 37 in the name of Councillor Finnegan
A contribution from the HRA General Reserve	Amendment 25 in the name of Councillor Lamb Amendment 37 in the name of Councillor Finnegan Amendment 39 in the name of Councillor Dobson
A reduction in contributions to the Strategic Contingency earmarked reserve	Amendment 8 in the name of Councillor Lamb Amendments 27, 29, 30, 32, 33, 34 in the name of Councillor Golton
Cessation of charges for replacement black and brown bins	Amendment 29 in the name of Councillor Golton Amendment 41 in the name of Councillor Blackburn
Cessation of charges for the disposal of inert waste	Amendment 5 in the name of Councillor Lamb Amendment 29 in the name of Councillor Golton Amendment 41 in the name of Councillor Blackburn
Maintaining rent and other charges in Sheltered Housing at 21/22 levels	Amendment 25 in the name of Councillor Lamb Amendment 39 in the name of Councillor Dobson
Collection of food waste	Amendment 10 in the name of Councillor Lamb Amendment 29 in the name of Councillor Golton

Overall conclusion

5. In conclusion, as identified above there are a number of proposed amendments to the budget motion which are inter-related, which members of Council need to be aware of in considering the 2022/23 budget.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? Yes No

6. Not applicable.

What consultation and engagement has taken place?

7. The 2022/23 Budget proposals themselves were developed through consultation with a range of stakeholders, notably with the Executive Board, all Scrutiny Boards, the Council's Corporate Leadership Team and other senior officers. They have also been subject to public consultation, the results of which are included in full at Appendix 2 of the 2022/23 Revenue Budget and Council Tax report on today's agenda. This report comments on the inter-relationship between proposed amendments to the 2022/23 Budget proposals and has not been the subject of separate consultation.

What are the resource implications?

8. All resource implications are included in the 2022/23 Revenue Budget and Council Tax report on today's agenda. This report comments on the inter-relationship between proposed amendments to the 2022/23 Budget proposals, which do not impact on the overall proposed Budget position.

What are the legal implications?

9. In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Full Council. In accordance with the Local Government Act (Part II) 2003, which places a requirement on the Council to 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, this robustness report is considered an integral part of the budget process. As such, the recommendations are not subject to call in, as the budget is a matter that will be determined by Full Council.
10. If required, proposals will also be subject to separate consultation and decision-making processes, which will operate within their own defined timetables and be managed by individual directorates.

What are the key risks and how are they being managed?

11. The key risks associated with the 2022/23 Budget are discussed in the 2022/23 Revenue Budget and Council Tax report on today's agenda. Whilst the amendments proposed by the various parties will collectively increase the risks associated with the delivery of the Council's budget, they will not materially impact on the overall robustness of the Council's budget for 2022/23 or the adequacy of its general fund reserves as at 31st March 2023.

Does this proposal support the council's three Key Pillars?

- Inclusive Growth Health and Wellbeing Climate Emergency

12. Not applicable.

Options, timescales and measuring success

What other options were considered?

13. Not applicable.

How will success be measured?

14. Not applicable.

What is the timetable for implementation?

15. Not applicable.

Appendices

16. Not applicable.

Background papers

17. None.