

## Robustness of the Revenue Budget 2023/24

Date: 22nd February 2023

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

### Brief summary

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 2023/24 are contained in the '2023/24 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 2023/24 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 2023/24 budget.

## **What is this report about?**

- 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 9(i) on the council summons includes at part 7 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 22nd February 2023. It has also 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 2023/24 budget:
  - (a) Amendments 1, 2 and 3 in the name of Councillor Carter and amendment 34 in the name of Councillor Finnigan 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. Further to this, amendments 2 and 3 use the resulting reduction to fund the reintroduction of community bonfire and firework displays and the reintroduction of the Christmas lights switch on event. Cumulatively these amendments represent a reduction of £3,042k in the contribution to Leeds 2023, which is in excess of the available budget.
  - (b) Amendments 7 and 11 in the name of Councillor Carter and amendment 35 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 £712k 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:

<b>A reduction in respect of the contribution to Leeds 2023</b>	Amendments 01, 02, 03 are in the name of Councillor Carter Amendment 34 is in the name of Councillor Finnigan
<b>A reduction in respect of Trade Union convenors</b>	Amendments 07, 11 are in the name of Councillor Carter Amendment 35 is in the name of Councillor Finnigan
<b>A reduction in respect of Members allowances</b>	Amendment 35 is in the name of Councillor Finnigan Amendment 39 is in the name of Councillor Blackburn
<b>A reduction in respect of the Revenue Contribution to the HRA Capital Programme</b>	Amendment 36 is in the name of Councillor Finnigan Amendment 45 is in the name of Councillor Dobson
<b>A contribution from the HRA General Reserve</b>	Amendments 19, 20 are in the name of Councillor Carter Amendment 26 is in the name of Councillor Golton Amendment 37 is in the name of Councillor Finnigan
<b>A reduction in contributions to the Strategic Contingency earmarked reserve</b>	Amendments 06, 13 are in the name of Councillor Carter Amendments 26, 31 are in the name of Councillor Golton Amendment 40 is in the name of Councillor Blackburn Amendment 43 is in the name of Councillor Dobson
<b>A contribution from the Innovation and Invest to Save earmarked reserves</b>	Amendment 4 is in the name of Councillor Carter Amendments 22, 24, 25, 27, 30 are in the name of Councillor Golton
<b>A reduction in agency / overtime staff costs</b>	Amendments 05, 07, 08, 09, 20 are in the name of Councillor Carter Amendment 44 is in the name of Councillor Dobson
<b>Introduction of additional PCSOs</b>	Amendment 01 is in the name of Councillor Carter Amendment 26 is in the name of Councillor Golton Amendment 34 is in the name of Councillor Finnigan
<b>Cessation of charges for replacement black and brown bins</b>	Amendment 12 is in the name of Councillor Carter Amendment 24 is in the name of Councillor Golton Amendment 39 is in the name of Councillor Blackburn
<b>Cessation of charges for the disposal of inert waste</b>	Amendment 24 is in the name of Councillor Golton Amendment 39 is in the name of Councillor Blackburn
<b>Reintroduction of community bonfires and firework displays</b>	Amendment 02 is in the name of Councillor Carter Amendment 44 is in the name of Councillor Dobson
<b>Increase in the Wellbeing budget</b>	Amendment 35 is in the name of Councillor Finnigan Amendment 39 is in the name of Councillor Blackburn

## 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 2023/24 budget.

## What impact will this proposal have?

- 6 Not applicable

## How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 7 Not applicable

## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 8 The 2023/24 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 2023/24 Revenue Budget and Council Tax report on today's agenda. This report comments on the proposed amendments to the 2023/24 Budget proposals and has not been the subject of separate consultation

### **What are the resource implications?**

- 9 All resource implications are included in the 2023/24 Revenue Budget and Council Tax report on today's agenda. This report comments on the proposed amendments to the 2023/24 Budget proposals which do not impact on the overall proposed Budget position.

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

- 10 The key risks associated with the 2023/24 Budget are discussed in the 2023/24 Revenue Budget and Council Tax report on today's agenda. Whilst the amendments in the name of Councillor Andrew Carter 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 2023/24 or the adequacy of its general fund reserves as at 31st March 2024.

### **What are the legal implications?**

- 11 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.
- 12 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.

## **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 and who will be responsible for implementation?**

- 15 Not applicable

## **Appendices**

- Not applicable

### **Background papers**

- None