

# Revenue Budget 2024/25 - Liberal Democrats Amendments

Date: 21st February 2024

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 amendments to the budget motion in the name of Councillor Stewart Golton.

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 2024/25 are contained in the '2024/25 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 2024/25 budget proposals.

## Recommendations

- a) It is recommended that Council note that whilst the proposals in these 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 Councillor Stewart Golton will not materially impact on the overall robustness of the council's budget for 2024/25 or the adequacy of its general fund reserves as at 31st March 2025.

## 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 4(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 robustness of the proposals. These comments supplement those contained in the main report.

## Proposed amendments

- 3 Councillor Stewart 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, 26, 27, 28, 29, 31, 32, 33, 36, 37 and 38 assume either a reduction in the budgeted contribution to the Investment/ Innovation earmarked reserve or the use of existing balances in the reserve. Since the current Medium Term Financial Strategy assumes that contributions to this reserve will be lower in 2025/26, and the reduction in the contribution is being used to resource ongoing revenue expenditure, future budgets will require the identification of further saving proposals to fund the recurring expenditure identified in some of these amendments.
  - (b) Amendment 25 proposes a feasibility study into the establishment of an employee led company to provide fostering agency services. Before the establishment of this company a business case would need to be undertaken to ensure that the proposal is financially sustainable.
  - (c) Amendment 27 proposes an injection into the Capital Programme for the first year cost for an anaerobic digester to be funded through prudential borrowing. At this stage, the 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 28 proposes reversal of existing parking charges in Otley. This would require a further Traffic Regulation Order (TRO) and / or Notice. Service of a Notice to amend fees must be made at least 21 days prior to the changes being implemented.
  - (e) Amendments 30 and 41 assume a reduction in the council's budgeted contribution to Housing Revenue Account general reserve. If all of these amendments are approved, the total reduction would be in excess of the budgeted contribution. The balance would come from the existing balances in the Housing Revenue Account general reserve. Since this reserve contributes towards both managing financial risk and ensuring that the council's position remains robust, resilient and sustainable, a reduction in the budgeted contribution therefore leaves the council's Housing Revenue Account more exposed during 2024/25 and future years.
  - (f) Amendment 32 proposes a contribution to West Yorkshire Police to re-introduce 37 additional PCSOs in Leeds, sufficient for at least 1 additional PCSO for every ward in the

city, further savings proposals will be required to be identified in future financial years to fund this recurring expenditure.

- (g) Amendment 32 proposes to increase the number of Civil Enforcement Officers in the city by 3. Further resource will be required to be identified in future financial years to fund this recurring expenditure.
- (h) Amendments 34 and 36 propose to use Section 106 agreement resources to fund revenue expenditure. Any planned expenditure using this resource could not be incurred until the council is satisfied that the spend is consistent with the terms of the relevant Section 106 agreement.
- (i) Amendment 35 proposes an increase to the Communities, Housing and Environment budget within Community Committees in relation to the Lettings Team supporting lettings in community buildings. Any such transfer of responsibility to Community Committees would need to be in accordance with the scheme of delegation for functions which Community Committees are responsible for.
- (j) Amendment 37 proposes to establish capacity for schemes in respect of Local 15-minute Neighbourhood Transport Plans within every ward, further savings proposals will be required to be identified in future financial years to fund this recurring expenditure.
- (k) Amendment 39 assumes a reduction in the level of Public Health reserves through the use of existing balances. Public Health reserves are to provide the Council with resources for Public Health priorities and therefore an application of reserves leaves the Council more exposed during 2024/25 and future years. As the contribution from this reserve is being used to resource ongoing revenue expenditure, future budgets will require the identification of further saving proposals to fund the recurring expenditure identified in this amendment.
- (l) Amendment 40 seeks to inject Section 106 balances in respect of the acquisition of unadopted roads and repair of potholes. Planned capital expenditure using this resource could not be incurred until the council is satisfied that the spend is consistent with the terms of the relevant Section 106 agreements.
- (m) Amendment 41 assumes a reduction in the contribution to the Housing Revenue Account general reserve is being used to resource ongoing revenue expenditure. Future budgets will require the identification of further saving proposals to fund the recurring expenditure identified in this amendment.
- (n) The amendments include savings and spending proposals which are interdependent and which create 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.

4 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.

5 These budget amendments do not have any impact on the council's general reserve. In respect of the Housing Revenue Account general reserve the overall level of reserve available will be £7,900k which is considered to be adequate to meet the identified risks.

## Overall conclusion

- 6 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 part 10 of the 2024/25 Revenue Budget and Council Tax report, the amendments to the budget motion in the name of Councillor Stewart Golton will not materially impact on the overall robustness of the council's budget for 2024/25 or the adequacy of its general fund reserves as at 31<sup>st</sup> March 2025.

## What impact will this proposal have?

- 7 Not applicable

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 8 Not applicable

## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 9 The 2024/25 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 2024/25 Revenue Budget and Council Tax report on today's agenda. This report comments on the proposed amendments to the 2024/25 Budget proposals and has not been the subject of separate consultation.

## What are the resource implications?

- 10 All resource implications are included in the 2024/25 Revenue Budget and Council Tax report on today's agenda. This report comments on the proposed amendments to the 2024/25 Budget proposals which do not impact on the overall proposed Budget position.

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

- 11 The key risks associated with the 2024/25 Budget are discussed in the 2024/25 Revenue Budget and Council Tax report on today's agenda. Whilst the amendments in the name of Councillor Stewart Golton 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 2024/25 or the adequacy of its general fund reserves as at 31<sup>st</sup> March 2025.

## What are the legal implications?

- 12 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.

13 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?**

14 Not applicable

### **How will success be measured?**

15 Not applicable

### **What is the timetable and who will be responsible for implementation?**

16 Not applicable

## **Appendices**

- Not applicable

## **Background papers**

- None