

# Revenue Budget 2024/25 – Garforth and Swillington Independents 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 Mark Dobson.

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 Mark Dobson 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 Mark Dobson'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) Amendment 47 proposes to reduce the Council Tax by 1%, funded through reduced contributions to the council's general reserve and Strategic Resilience earmarked reserve. Since these reductions in contributions to the council's reserves are for 2024/25 only, and Council Tax is being applied to resource revenue expenditure, future years' budgets will require the identification of further saving proposals to fund the 1% reduction in Council Tax.
  - (b) Amendments 47, 48 and 51 assume a reduction in the budgeted contribution to the Strategic Resilience earmarked reserve. Amendment 47 also assumes a reduction in the budgeted contribution to the council's general reserve. The Strategic Resilience reserve is to provide the council with resources for unforeseen circumstances, and the general reserve contributes towards both managing financial risk and ensuring that the council's position remains robust, resilient and sustainable, a reduction in the budgeted contributions therefore leaves the council more exposed during 2024/25 and in future years. The External Auditors of the council have detailed in their ISA260 Report that the level of general reserves for the council should be increased rather than reduced, therefore this proposal goes against their recommendation.
  - (c) Amendment 49 proposes to reverse the council house rent increase and service charge increase in 2024/25 for tenants in sheltered housing. Both proposals will be funded through a reduced contribution to the Housing Revenue Account Capital Programme. Since this proposal results in a reduction in the overall level of resources available to fund capital priorities it will be necessary to rephase schemes over the five years covered by the current Capital Programme.
  - (d) Amendment 50 proposes an injection into the Capital Programme for the refurbishment and repair of Cross Gates Library. 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.
  - (e) Amendments 51 and 52 incorporate a saving on non-essential expenditure. Since it is currently unclear how and where these savings will be realised expenditure funded from this source should not be incurred until the proposed level of savings is being realised or has been clearly identified.

(f) 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 propose a reduction of £3,000k in the contribution to the council's general reserve in 2024/25. In respect of the council's general reserve the overall level of reserve available would be £36,248k 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 Mark Dobson 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 Mark Dobson 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 31st 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