

Revenue Budget 2024/25 – Social Democratic Party 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 Wayne Dixon.

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 Wayne Dixon 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 Wayne Dixon'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 61 assumes a reduction in the budgeted contribution to the Strategic Contingency earmarked reserve. The Strategic Contingency earmarked reserve is to provide the council with resources for unforeseen circumstances and therefore a reduction in the budgeted contribution leaves the council more exposed during 2024/25 and future years.
 - (b) Amendment 62 outlines a reduction to basic allowances and Special Responsibility Allowances for members to reverse the increase for 2024/25. Recommendations in respect of member's allowances are made by the independent remuneration panel. Therefore, before any proposed reduction could be implemented the council would first have to consult with this panel.
 - (c) Amendment 62 also assumes a reduction in agency and overtime expenditure. Since it is currently unclear how and where these savings will be realised, and what implications this may have for service delivery, expenditure funded from this source should not be incurred until the proposed level of savings on agency staff and overtime is being realised or has been clearly identified.
 - (d) Amendment 63 proposes a reduction in the funding of staff supporting Equality, Diversity and Inclusion. The amendment assumes that the reduction can be introduced during the financial year. The staff are substantive employees of Leeds City Council and so there would still be an ongoing cost of their salaries if they were moved to take on different duties. Any slippage in respect of this assumption will require the identification of further savings proposals to fund the planned contribution to the general reserve.
 - (e) Amendment 63 proposes an injection into the Capital Programme for the cost of refurbishing and repairing 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.
 - (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 do not have any impact on the council's general reserve.

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 Wayne Dixon 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 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 Wayne Dixon 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