

Robustness of the Revenue Budget 2024/25

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 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 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 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 2024/25 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 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 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 21st February 2024.
- 3 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

- 4 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 2024/25 budget:
 - (a) Amendments 02 and 08 in the name of Councillor Lamb and amendment 42 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 £840k in spend on full-time Trade Union Convenors which is in excess of the available budget.
 - (b) Amendments 21, 22, 23 and 24 in the name of Councillor Lamb and amendments 30 and 41 in the name of Councillor Golton both assume a reduction in the contribution to the Housing Revenue Account general reserve. Cumulatively these amendments represent a reduction of £2,066k in contributions to the reserve which is in excess of the available budget.
 - (c) Amendment 6 in the name of Councillor Lamb and amendments 25, 26, 27, 28, 29, 31, 32, 33, 36, 37 and 38 in the name of Councillor Golton assume use of or reduction in the contribution to the Investment / Innovation earmarked reserve. Cumulatively these amendments represent a use of £3,858k either through reducing contributions or use of existing reserves which is in excess of the available budget.
- 5 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:

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| A reduction in respect of Trade Union convenors | Amendments 02, 08 are in the name of Councillor Lamb Amendment 42 is in the name of Councillor Finnigan |
| A reduction in agency / overtime staff costs | Amendment 03 is in the name of Councillor Lamb Amendment 62 is in the name of Councillor Dixon |
| A reduction in contribution to the Strategic Contingency earmarked reserve | Amendments 01, 04, 05, 06, 09, 10, 13 are in the name of Councillor Lamb Amendment 61 is in the name of Councillor Dixon |
| A reduction in contribution to the Investment / Innovation earmarked reserve | Amendment 06 is in the name of Councillor Lamb Amendments 25, 26, 27 are in the name of Councillor Golton |
| A reduction in non-essential costs | Amendment 11 in the name of Councillor Lamb Amendments 51, 52 are in the name of Councillor Dobson |
| A reduction in contribution to the HRA General Reserve | Amendments 21, 22, 23, 24 are in the name of Councillor Lamb Amendments 30, 41 are in the name of Councillor Golton |
| A reduction in respect of Members allowances | Amendment 42 is in the name of Councillor Finnigan Amendment 55 is in the name of Councillor Blackburn Amendment 62 is in the name of Councillor Dixon |
| A reduction in respect of the Revenue Contribution to the HRA Capital Programme | Amendment 46 is in the name of Councillor Finnigan Amendment 49 is in the name of Councillor Dobson |
| A reduction in contribution to the Strategic Resilience earmarked reserve | Amendments 47, 48, 51 are in the name of Councillor Dobson Amendments 53, 54, 56, 57, 58 are in the name of Councillor Blackburn |
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| Cessation of car parking charges in Otley | Amendment 28 is in the name of Councillor Golton Amendment 55 is in the name of Councillor Blackburn |
| Keeping rent and other charges in Sheltered Housing at 2023/24 levels | Amendment 21 is in the name of Councillor Lamb Amendment 49 is in the name of Councillor Dobson |
| Cessation of charges for the repeat collection of bulky waste | Amendment 05 is in the name of Councillor Lamb Amendment 43 is in the name of Councillor Finnigan Amendment 52 is in the name of Councillor Dobson |
| Reversal of the decommissioning of Knowle Manor | Amendment 39 is in the name of Councillor Golton Amendment 44 is in the name of Councillor Finnigan |
| Refurbishment and repair of Cross Gates Library | Amendment 50 is in the name of Councillor Dobson Amendment 63 is in the name of Councillor Dixon |
| Reversal of the proposed car parking charges at districts and parks | Amendments 01, 02, 10 are in the name of Councillor Lamb Amendment 28 is in the name of Councillor Golton Amendment 55 is in the name of Councillor Blackburn |
| A feasibility study into community sports clubs being granted the right to lease their sports grounds | Amendment 11 is in the name of Councillor Lamb Amendment 61 is in the name of Councillor Dixon |
| Reintroduction of glass collection pilot routes | Amendment 09 is in the name of Councillor Lamb Amendment 26 is in the name of Councillor Golton |
| Reintroduction of community bonfires and firework displays | Amendment 07 is in the name of Councillor Lamb Amendment 48 is in the name of Councillor Dobson Amendment 62 is in the name of Councillor Dixon |
| Increase in the Wellbeing and Youth Activity Fund budgets | Amendment 04 is in the name of Councillor Lamb Amendment 55 is in the name of Councillor Blackburn |

Overall conclusion

- 6 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 2024/25 budget.

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.

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