

LABOUR GROUP BUDGET AMENDMENTS 2014/15

The City Council is asked to consider the following amendments to the Executive's budget proposal contained in Minute EX006/14, Executive Response to the Budget Consultation and Recommendations for the 2014/15 Budget (Key Decision).

Labour Group Proposed Amendment No. 1

Council Tax:

The Government recently announced that additional funding for previous years Council Tax freezes (2011/12 and 2013/14) is now to be included in the Revenue Support Grant Settlement from 2015/16. This was an eleventh hour U turn by the Government and accordingly the Council did not previously budget for this as the grants were initially on a non-recurring basis. The grant funding previously included in the budget proposals has now been amended to reflect that the Council Tax Freeze Grant is recurring and will be subsumed within RSG. This change now allows the Council to absorb the additional cost of freezing Council Tax for 2014/15 and 2015/16 whilst maintaining adequate revenue reserves. The proposed budget has been revised and now includes the financial impact of a Council Tax Freeze for 2014/15 and 2015/16.

Proposed by: Cllr Dr L Tickner

Seconded by: Cllr C Glover

Director of Resources Comments and Impact on the Executive's budget proposals:

The consequences of accepting this amendment is that there will be a net reduction of £68,000 in the revenue expenditure budget for 2014/15 with a net reduction of £99,000 in 2015/16. Funding streams will reflect the recurring nature of the grant and there will be an increase of £199,000 in the level of overall Council reserves available.

The proposal will reduce the level of Council Tax increase proposed by the Executive from 1.99% to 0% for 2014/15 and provide an indicative 0% increase for 2015/16.

The proposal has no impact on the Capital Programme proposed by the Executive.

The main changes to the Executive's Revenue Budget proposals for 2014/15 as set out in Minute EX006/14, as a result of this amendment, are detailed in the (purple) document from the Director of Resources dated 24th January 2014.

Procedure Note:

The financial effect of each **individual** amendment is as set out in the amendment presented. However if Council proposed any **combination** of amendments to the Executive budget proposals, then there would be a cumulative effect on the budget and reserves.

Before any amendment is voted on, the Council will give the Director of Resources an opportunity to address the meeting to explain, if necessary, the effect of the proposed amendment under consideration and the cumulative impact of any previous amendments before the vote is taken. They may also agree to an adjournment to enable Members to consider the Director of Resources advice prior to the vote on any amendment.

The procedure, should any amendment be carried, is set out in full at Agenda Item 9 (5) paragraph 3.9 to 3.11.