

## **LABOUR GROUP PROPOSED BUDGET AMENDMENTS 2011/12**

The City Council is asked to consider the following amendments to the Executive's budget proposal contained in Minute EX006.11, Executive Response to the Budget Consultation and Recommendations for the 2011/12 Budget (Key Decision).

### **Labour Group Proposed Amendment No. 1**

#### **Discretionary Rate Relief:**

To ensure that funding, £40,000 in 2011/12 and £75,000 2012/13 onwards, is available to award up to 100% discretionary relief to local organisations who meet the new criteria in respect of discretionary rate relief, to be agreed by the Executive, in consultation with Overview and Scrutiny Panels. To be funded through savings achieved on the officers leased car scheme and essential car allowances (£75,000).

Proposed by: Cllr J Hendry

Seconded by: Cllr R Watson

#### **Assistant Director (Resources) Comments and Impact on the Executive's budget proposals:**

The consequences of accepting this amendment is that there will be a reallocation of budgets between the total recurring expenditure of the Council, with £35,000 being returned to Council Reserves in 2011/12 due to phasing.

The proposal has no impact on the level of Council Tax increase proposed by the Executive.

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

The amendment will result in the following main changes to the Executive's Revenue Budget proposals for 2011/12 as set out in Minute EX006/11:

#### **Schedule 2 – Proposed Budget Reductions**

- There would be an increase in the overall level of Recurring Budget Reductions, increasing by £60,000 in 2011/12, and by £25,000 in future years.

#### **Schedule 3 – Recurring Budget Increases**

- There would be an increase in the overall level of Recurring Budget Increases, increasing by £25,000 for years 2011/12 to 2015/16.

#### **Schedule 5 – Summary Net Budget Requirement**

- Total Recurring Expenditure would reduce in 2011/12 by £35,000 which would increase the level of contributions made to reserves by an equivalent sum.

## **Labour Group Proposed Amendment No. 2**

### **Support to Community Centres:**

To restore funding levels to previous levels before phased cuts of £68,000 were made to Community Centres, at a cost of £45,000 in 2011/12 and £68,000 from 2012/13 onwards. To be funded through reductions to the Member training budget (£10,000), ceasing the production of the Carlisle Focus (£26,000) and reducing Members Allowances (£32,000).

Proposed by: Cllr J Hendry

Seconded by: Cllr R Watson

### **Assistant Director (Resources) Comments and Impact on the Executive's budget proposals:**

The consequences of accepting this amendment is that there will be a reallocation of budgets between the total recurring expenditure of the Council, with £23,000 being returned to reserves in 2011/12. Although budgetary changes to the Members Allowance Scheme are permitted, the views of the Independent Remuneration Panel would have to be sought before any changes were made to the scheme itself.

The proposal has no impact on the level of Council Tax increase proposed by the Executive.

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

The amendment will result in the following main changes to the Executive's Revenue Budget proposals for 2011/12 as set out in Minute EX006/11:

#### **Schedule 2 – Proposed Budget Reductions**

- There would be an increase in the overall level of Recurring Budget Reductions, increasing by £68,000 for each of the years 2011/12 to 2015/16.

#### **Schedule 3 – Recurring Budget Increases**

- There would be an increase in the overall level of Recurring Budget Increases, increasing by £45,000 in 2011/12 and by £68,000 from 2012/13 onwards.

#### **Schedule 5 – Summary Net Budget Requirement**

- Total Recurring Expenditure would reduce by £23,000 in 2011/12 with an equivalent contribution to reserves. No change for 2012/13 to 2015/16.

### **Labour Group Proposed Amendment No. 3**

#### **Governance Savings:**

To maintain the existing resources within the Governance Directorate providing support to Members and Officers, at an annual cost of £35,000. To be funded through reductions in the Council's recruitment advertising budgets.

Proposed by: Cllr J Hendry

Seconded by: Cllr R Watson

#### **Assistant Director (Resources) Comments and Impact on the Executive's budget proposals:**

The consequences of accepting this amendment is that there will be a reallocation of budgets between the total recurring expenditure of the Council, with no impact on overall Council reserves.

The proposal has no impact on the level of Council Tax increase proposed by the Executive.

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

The amendment will result in the following main changes to the Executive's Revenue Budget proposals for 2011/12 as set out in Minute EX006/11:

#### **Schedule 2 – Proposed Budget Reductions**

- There would be no change to the overall level of Proposed Budget Reductions although the allocations between individual schemes would change.

### **Labour Group Proposed Amendment No. 4**

#### **Environmental Enhancements:**

To increase the 2011/12 capital programme by £1.9m to fund repairs to broken kerbs, pavements, pot holes and similar public issues designed to improve the safety of communities. To be spent in conjunction with resources held by the County Council and to be funded through additional internal borrowing.

Proposed by: Cllr J Hendry

Seconded by: Cllr R Watson

#### **Assistant Director (Resources) Comments and Impact on the Executive's budget proposals:**

The consequences of accepting this amendment is that there will be a non-recurring increase in the 2011/12 capital programme, with available capital resources increasing by an equivalent sum as a result of the additional borrowing requirement. There would be no impact on the overall level of capital resources available to fund new capital schemes.

The proposal has no impact on the level of Council Tax increase proposed by the Executive.

The proposal has no impact on the Revenue Budget proposed by the Executive, although there will be a small decrease i.e. £12,000 in 2011/12 rising to £76,000 in 2015/16, in the level of net investment income receivable resulting in a corresponding decrease in the level of Council revenue reserves.

The amendment will result in the following main changes to the Executive's Capital Budget proposals for 2011/12 as set out in Minute EX006/11:

Schedule 7 and 8 – Estimated Capital Resources and Proposed Capital Programme

- There would be an increase of £1.9m in the level of resources required in 2011/12 through the use of additional internal borrowing, with a corresponding increase in the overall capital programme in 2011/12 only.

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 Assistant Director (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 Assistant Director (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.