

BUDGET AMENDMENTS 2014/15 CARRIED AT COUNCIL 4TH FEBRUARY 2014

The City Council considered and carried 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.

Conservative Group Proposed Amendment No. 1

Council Tax Freeze Grant:

To accept the Government's offer of the council tax freeze grant for 2014/15 and 2015/16 of 1% equating to £68,000 per annum as detailed in their letter of 15th January 2014, in conjunction with accepting the recurring nature of previous years council tax freeze grants. This will enable the Council to approve a 0% increase for the Council's share of Council Tax for 2014/15 and provide an indicative 0% increase for 2015/16. This proposal is to be funded by appropriation to and from Revenue Reserves.

Liberal Democrat Group Proposed Amendment No. 1

Members' Allowances:

Members' allowances are due to increase by 1% in line with the officers pay award for 2014/15. This proposal is to freeze the allowances paid to Members in 2014/15, equating to a total saving of approximately £3,000 per annum, with the saving being used to support staff well-being initiatives e.g. staff healthy living schemes.

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 amendment will result in the following main changes to the Executive's Revenue Budget proposals for 2014/15 as set out in Minute EX006/14:

Schedule 2 – Proposed Budget Reductions

- There would be an increase in non recurring budget reductions of £68,000 in 2014/15 and £99,000 in 2015/16.
- There would be an increase in recurring budget reductions of £3,000 in 2014/15 onwards.

Schedule 3 – Recurring Budget Increases

- There would be an increase in recurring budget pressures of £3,000 in 2014/15 onwards.

Schedule 5 – Summary Net Budget Requirement

- Total Revenue Expenditure would reduce by £68,000 in 2014/15 and £99,000 in 2015/16.
- Recurring budget reductions would increase by £3,000 in 2014/15 onwards, with a corresponding increase in recurring new spending pressures.
- Contributions to reserves in respect of non-recurring commitments will increase by £68,000 and £99,000 in years 2014/15 and 2015/16 respectively.
- Contributions in respect of recurring commitments would change by £119,000 in 2014/15; £6,000 in 2015/16; £124,000 in 2016/17; £118,000 in 2017/18 and £113,000 in 2018/19.

Schedule 6 – Total Funding and Provisional Council Tax Projections

- The yield from Council Tax would reduce by £119,000 in 2014/15; by £241,000 in 2015/16; by £247,000 in 2016/17; by £253,000 in 2017/18 and by £258,000 in 2018/19.
- Revenue Support Grant would increase by £235,000 in 2015/16 and by £371,000 in 2016/17 onwards.

Schedule 10 – Usable Reserve Projections

- There would be an increase in the level of General Fund/Project Reserve projections of £199,000 by 2018/19.