

Report to Executive

Agenda
Item:

A.1(B)
(3)

Meeting Date: 15 February 2021
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Considered under general exception
 Within Policy and Budget Framework YES
 Public / Private Public

Title: CONSIDERATION OF BUDGET AMENDMENTS 2021/22
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD60/20

Purpose / Summary:

This report seeks to assist the Executive to respond to the proposed budget amendments carried by Council on 2 February 2020. Executive are asked to reconsider their budget proposals in light of these amendments and respond with their considerations at Council on 17 February 2021.

Recommendations:

The Executive is requested to consider the proposed budget amendments carried by Council on 2 February and make recommendations to Council on 17 February 2021 in respect of the following:

- (i) Removal of the charge for treatment of rats in domestic properties and reduce the income budget for pest control as a result of this by £25,000 for 2021/22, funded from the projects reserve.
- (ii) Provide a grant of £15,000 to Carlisle and Eden MIND to be funded from the 2021/22 COVID-19 government grant allocation.

Tracking

Executive:	15 February 2021
Council:	17 February 2021

1. INTRODUCTION

The Executive budget proposals for 2021/22 to 2025/26 were approved by the Executive at its meeting of 13 January for consideration at full Council at its meeting on 2 February.

At its meeting on 2 February, the Council debated five amendments to the budget proposals and a recorded vote carried two amendments unanimously in respect of removal of the charge for treatment of rats in domestic properties and the provision of a grant to Carlisle and Eden MIND.

2. REMOVAL OF CHARGE FOR TREATMENT OF RATS IN DOMESTIC PROPERTIES

This amendment would remove the charge for treatment of rats in domestic properties in 2021/22. It was stated that “now is not the time for the introduction of this new charge with the financial difficulties’ households are currently encountering with COVID”, and the Executive were asked to reconsider the implementation of this charge for 2021/22 and fund the income shortfall from Revenue Reserves. **Costing £25,000, this amendment will be non-recurring and will be funded from the projects reserve for 2021/22.**

3. MENTAL HEALTH (CRISIS) SUPPORT

This amendment would provide a grant of £15,000 to support the work of Carlisle Eden Mind and help to meet the increasing demand for their mental health crisis support services, including the possible expansion of the Lighthouse crisis service. **This amendment is to be funded from the 2021/22 allocation of Covid-19 funding provided in the Local Government Finance Settlement.**

4. FINANCIAL IMPACT ON THE EXECUTIVE’S BUDGET PROPOSALS

Acceptance of these amendments will have the following impact on the Executive’s budget proposals:

Schedule 2 – Proposed Budget Reductions

- There would be an increase in the overall level of Non-Recurring Budget reductions of £15,000 for 2021/22, increasing from £739,000 to £754,000.

Schedule 4 – Non-Recurring Budget Increases

- There would be an increase in the overall level of Non-Recurring Budget increases of £40,000 for 2021/22 from £777,000 to £817,000.

Schedule 5 – Summary Net Budget Requirement

- Total Revenue Expenditure would increase by £25,000 in 2020/21.
- Contributions from Reserves for non-recurring commitments would increase by £25,000 to £97,000 in 2021/22.

Schedule 10 – Useable Reserve Projections

- There would be a decrease in the level of General Fund/Projects Reserve projections of £25,000 by 2025/26.

	Projected 31 March 2022 £000	Projected 31 March 2023 £000	Projected 31 March 2024 £000	Projected 31 March 2025 £000	Projected 31 March 2026 £000
Original Total General Fund Reserves	(3,194)	(2,953)	(2,947)	(3,026)	(3,140)
Amended Total General Fund Reserves	(3,169)	(2,928)	(2,922)	(3,001)	(3,115)

5. BUDGET PROPOSALS FOR COUNCIL

Members are reminded that, at the time of writing this report, whilst provisional figures are included in the budget, there are several issues still to be finalised or confirmed. If received, these will be included within the Executive's budget proposals tabled on 15th February, and details provided for the Council meeting in February and/or March. Any minor changes will be funded from appropriations to/from revenue reserves; however, the Council's Savings Strategy and target may need to be revisited to accommodate any changes which are deemed to be significant.

6. CONSULTATION

The Executive's budget proposals were considered by Council on 2 February 2021 following consultation with Scrutiny Panels and the public.

7. RECOMMENDATIONS

The Executive is requested to consider the proposed budget amendments carried by Council on 2 February and make recommendations to Council on 17 February 2021 in respect of the following:

- (i) Removal of the charge for treatment of rats in domestic properties and reduce the income budget for pest control as a result of this by £25,000 for 2021/22, funded from the projects reserve.
- (ii) Provide a grant of £15,000 to Carlisle and Eden MIND to be funded from the 2021/22 COVID-19 government grant allocation.

8. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

To ensure that a balanced budget is set.

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**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its resources properly and for the benefit of its community. In doing so it is required to take account of the advice it receives from its chief finance officer, the Corporate Director of Finance and Resources. The Council must have a balanced budget to deliver its services and also achieve and sustain an appropriate level of reserves.

PROPERTY – not applicable

FINANCE – Contained within the body of the report

EQUALITY – not applicable

INFORMATION GOVERNANCE – not applicable