

AMENDMENT 2

AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2020/21 AND FUTURE YEARS FORECASTS

Amendment to Full Council recommendations attached.

Amendment proposed by the Liberal Democrat Group

BUDGET & COUNCIL TAX SETTING 2020/21 & FUTURE YEARS FORECASTS

That the recommendations of the Cabinet of 13 February 2020 minute 66 (19/20) on "Budget & Council Tax Setting 2020/21 and Future Years Forecasts be amended as follows:-

Recommendation (i) (a) be amended to:

- (i) (a) The revised Revenue Budget for the financial year 2019/20 and the Revenue Budget for the financial year 2020/21 as set out in the General Fund Summary (attached as Appendix A amended) which includes the changes listed in the tables below, but Members note that:

the responsibility of the Council is to approve the overall Budget and the associated cash limits of its Portfolios; it is not the responsibility of the Council to approve any individual savings or additions within those Portfolios, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.

Additional Savings - Reductions to Budget Estimates

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2020/21 £	2021/22 & Future Years £
<u>RESOURCES</u>			
New	Deletion of proposed Revenue Contribution to the Transformation Reserve	(1,500,000)	0
	Total	(1,500,000)	0

Additional Costs - Additions to Budget Estimates

Saving No.	Increases to Portfolio Budgets	2020/21	2021/22 & Future Years
		£	£
<u>ADULT SOCIAL CARE, PUBLIC HEALTH AND HOUSING NEEDS</u>			
New	Additional funding for Adult Social Care transformation	700,000	0
<u>CHILDREN'S SERVICES, EDUCATION AND SKILLS</u>			
New	Additional funding for Voluntary Services and Early Help initiatives - for 1 year	200,000	0
<u>ENVIRONMENT AND HERITAGE</u>			
13	Re-instate the proposed reduction to deliver community libraries at nil cost by the provision of full repairing leases - for 1 year	3,000	0
14	Re-instate the proposed reduction to the libraries book fund - for 1 year	15,000	0
19	Re-instate the proposed reduction in beach cleaning frequency - for 1 year	16,000	0
New	Additional support for Community Libraries - for 1 year	6,000	0
<u>INFRASTRUCTURE AND TRANSPORT</u>			
34 (part of)	Withdrawal of proposed additional parking income - Trial free 30 minute short stay parking in Newport High Street	70,000	0
<u>REGENERATION AND BUSINESS DEVELOPMENT</u>			
New	Establishment of an Enterprise Fund	100,000	0
<u>RESOURCES</u>			
New	Increase data analytic capacity - for 1 year	20,000	0
New	Establishment of a Community Consultation Fund	20,000	0
New	Revenue Contribution to Capital (to fund further Capital Investment - see recommendation (i) (m))	350,000	0
Total		1,500,000	0

Recommendation (i) (h) be amended to:-

The savings proposals for each Portfolio amounting, in total, to £4.396m for 2020/21 as set out below:

Portfolio	Savings Proposal	
	£	% Budget
Adult Social Care, Public Health & Housing Needs*	1,542,700	3.1%
Children's Services, Education & Skills*	341,000	1.4%
Community Safety & Public Protection	170,300	1.7%
Environment & Heritage	236,600	2.7%
Infrastructure & Transport**	727,300	6.6%
Leader & Strategic Partnerships	0	0.0%
Planning & Housing	128,500	8.0%
Procurement, Projects, Forward Planning & Waste	250,100	6.1%
Regeneration & Business Development	93,500	7.2%
Resources	906,000	5.7%
Grand Total	4,396,000	3.5%

*Excludes the additional funding passported through to Adult Social Care of £4.5m (which if included would result in an overall increase of 6%) and the additional funding for Children's Services, Education & Skills of £1.7m (which if included would result in an overall increase of 5.8%)

** Excludes £19.4m of PFI grant funding, on a Gross expenditure basis the savings amounts to 2.4%

Recommendation (i) (l) be amended to:-

The Capital Programme 2019/20 to 2024/25 set out in the attached appendix (Appendix E amended) which includes all additions, deletions and amendments for slippage and re-phasing

Recommendation (i) (m) be amended to:-

The new Capital Investment Proposals ("New Starts") - 2020/21 set out in Appendix D be amended to reflect the following changes and the changes also be reflected in the Capital Programme 2019/20 to 2024/25 as set out in the attached appendix (Appendix E amended) and be funded from the available Corporate Capital Resources

Scheme Description - Reductions & Additions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
Additional Capital Scheme Proposals (New):		£	£
New	Community Public Realm Fund to support joint initiatives with town, parish and community councils	100,000	100,000
New	Climate Emergency Initiatives Fund (including Active travel schemes)	250,000	250,000
Total Overall Change		350,000	350,000

SECTION 151 OFFICER'S COMMENTS

Under Recommendation (i) (k), Members must have regard to the Statement of the Section 151 Officer in accordance with the Local Government Act 2003. The Section 151 Officer advises as follows:-

The proposals contained within this amendment are legal and present a balanced budget for 2020/21.

The amendment preserves the level of General Reserves held by the Council and therefore maintains a good degree of overall financial resilience against the future uncertainties presented by the forthcoming Multi Year Spending Round, Fair Funding Review, and Business Rate "reset".

This amendment removes the planned transfer of £1.5m to the Transformation Reserve and is therefore less prudent than the Administration's proposal.

As described within the "Statement of the Section 151 Officer In Accordance With the Local Government Act 2003":

"The Transformation Reserve is the Council's primary vehicle for funding Spend to Save and Spend to Avoid Cost Initiatives and Feasibility Studies, and currently stands at just £2.5m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any further savings, transfers from other reserves no longer required or alternatively from the Revenue Budget in future years."

The Transformation Reserve is a key element of the Council's MTFs, providing up front funding to support the delivery of future savings requirements. Should this reserve be depleted, future savings requirements could be higher since savings would also be necessary to fund the costs of any implementation.

Note:

£1m was allocated from the Transformation Reserve during 2019/20 in order to enable budget savings to be delivered with a further £1.6m forecast for 2020/21 leaving an uncommitted balance of £2.5m available.

LEGAL IMPLICATIONS

Legal Services are satisfied that it is within the Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

EQUALITY AND DIVERSITY

Legal Services are satisfied that the amendment does not alter the content or conclusions set out in the Equality Impact Assessment at Appendix H

GENERAL FUND SUMMARY - 2019/20 to 2023/24

APPENDIX A Amended

NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2019/20 £	Original Budget 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £
Adult Social Care, Public Health & Housing Needs	49,067,065	52,280,543	53,377,369	55,177,369	56,977,369
Children's Services, Education & Skills	24,613,029	26,336,974	26,260,029	26,543,764	26,830,780
Community Safety & Public Protection	7,140,886	7,264,652	7,264,652	7,264,652	7,264,652
Environment & Heritage	2,651,458	2,422,818	2,322,761	2,322,761	2,322,761
Infrastructure & Transport	12,675,523	213,980	14,941,856	14,064,949	14,426,206
Leader & Strategic Partnerships	1,041,515	1,046,164	1,046,335	1,046,335	1,046,335
Planning & Housing Renewal	933,056	661,459	648,308	648,308	648,308
Procurement, Waste Management, Projects & Forward Planning	3,788,909	3,725,253	4,051,596	4,233,666	4,419,377
Regeneration & Business Development	1,579,915	1,118,528	1,018,584	1,018,584	1,018,584
Resources	48,854,522	63,806,831	50,480,659	57,938,118	61,486,149
Savings to be identified	0	0	(3,500,000)	(7,000,000)	(10,500,000)
Portfolio Expenditure	152,345,878	158,877,202	157,912,149	163,258,506	165,940,521
FUNDED BY:					
Contribution (to)/from Balances & Reserves	(1,065,979)	(632)	77,795	1,487,431	12,088
Revenue Support Grant	0	4,519,131	0	0	0
Business Rates Retention	43,517,492	38,235,692	40,440,463	42,476,077	44,576,939
Other General Grants	24,025,928	26,359,909	25,881,835	25,770,692	25,770,692
Collection Fund (Council tax)	85,868,437	89,763,102	91,512,056	93,524,306	95,580,802
Total Financing	152,345,878	158,877,202	157,912,149	163,258,506	165,940,521
BALANCES & RESERVES					
Balance brought forward at 1 April	11,163,038	12,229,017	12,229,649	11,651,854	10,164,423
Potential Transfer to Combined Fire Authority (Deficit)/Surplus for year	1,065,979	632	(500,000)	(1,487,431)	(12,088)
Balance carried forward at 31 March	12,229,017	12,229,649	11,651,854	10,164,423	10,152,335
Minimum level of balances	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Underlying Budget Deficit/(Surplus) - assuming future savings are met	(1,065,979)	(632)	77,795	1,487,431	12,088

APPENDIX E Amended

COMPLETE CAPITAL PROGRAMME INCLUDING NEW SCHEMES

SUMMARY OF PORTFOLIOS	FORECAST	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	£	£	£
Adult Social Care, Public Health & Housing Needs	853,621	2,580,660	1,000,000	230,000	0	0	4,664,281			
Children's Services, Education & Skills	9,333,643	5,994,867	1,428,523	0	0	0	16,757,033			
Community Safety & Public Protection	413,010	500,000	0	0	0	0	913,010			
Environment & Heritage	1,314,074	753,183	321,633	0	0	0	2,388,890			
Infrastructure & Transport	3,369,393	11,699,811	75,000	0	0	0	15,144,204			
Planning & Housing Renewal	2,487,911	3,067,285	0	0	0	0	5,555,196			
Procurement, Waste Mgt, Projects & Forward Planning	4,440,255	2,770,106	1,734,974	50,000	1,392,634	2,808,418	13,196,387			
Regeneration & Business Development	923,030	9,292,592	8,108,000	7,500,000	7,500,000	0	33,323,622			
Resources	3,774,437	7,887,739	21,039,943	20,015,000	20,000,000	0	72,717,119			
Total Capital Programme	26,909,374	44,546,243	33,708,073	27,795,000	28,892,634	2,808,418	164,659,742			
Total Financing	26,909,374	44,546,243	33,708,073	27,795,000	28,892,634	2,808,418	164,659,742			