

Council**Thursday, 13 February 2020, 10.00 am, County Hall, Worcester****Agenda**

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Labour Group Amendments to the Cabinet's proposed 2020/21 Budget

For Consideration at Full Council 13 February 2020

Purpose of report

- To present to Full Council three proposed amendments from the Labour Group to the budget recommended by Cabinet on 30 January 2020, with officers' technical comments on the impact to the budget.

Background

- The proposals are set out below:

Amendment 1: Investing in our communities

Labour Group Budget Amendment Proposals 2020/21	Amendment 1	
	£	£
One-off investment in the following areas:		
• The Libraries book fund for physical and e- stock.	350,000	
• IT investment to extend the current digital offer		
○ laptops/tablets to hire for use within libraries e.g. http://gethuble.com/project/libraries/		
○ development of library app, improved print solution	100,000	
○ enhance printing offer; printing from devices, print release in all locations to future-proof for self service		
• Marketing fund to build and maintain library profile and promote usage and benefits	50,000	
• Grant support for Citizens Advice Bureau (CAB) to provide additional assistance to the homeless and helping train Foodbank workers in line with previous scrutiny report.	80,000	
• To undertake highway and infrastructure work around the hospitals in the County to relieve traffic congestion in order to promote and secure increased public transport provision at / to the sites	100,000	
• Signage to enable the implementation of 20MPH zones in key traffic accident risk areas across the County.	20,000	
• To extend the Cabinet's proposal for tree planting.	50,000	
Total		750,000

One-off investment funded from the following areas:

Use of the Financial Risk Reserve, as originally planned by the Cabinet in the December 2019 Cabinet report before additional income was identified. (750,000)

Total	(750,000)
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Amendment 2: Investing in our youth

Labour Group Budget Amendment Proposals 2020/21	Amendment 2	
	£	£
One-off investment in the following areas: Conditional upon additional funding being received in line with Government's commitments it is proposed that the additional funds are targeted to support youth services across the County to prevent drugs misuse and greater education	300,000	
Total		300,000

One-off investment funded from the following areas:

Any additional fund above the budgeted Public Health Ring-fenced Grant allocations, and will need to be agreed with the Director of Public Health. (300,000)

Total	(300,000)
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Amendment 3: Investing locally

Labour Group Budget Amendment Proposals 2020/21	Amendment 3	
	£	£
One-off investment in the following areas: Increase Councillors' Divisional discretionary monies (WCDF) by £2,500 each to £12,500 per annum	142,500	
Total		142,500

One-off investment funded from the following areas:

Additional use of the Financial Risk Reserve, as originally planned by the Cabinet in the December 2019 Cabinet report before additional income was identified (142,500)

Financial technical comments

3. The proposals balance and do not impact on the net base budget proposed in the original paper to Cabinet.
4. Amendment one requires further work to set out the detail of spend around improving congestion around the County's hospitals.
5. Both Amendment one and Amendment three would only be an investment for one year in 2020/21 as the funding is to be provided from a one-off source (the Financial Risk Reserve). In December 2019 Cabinet's original proposal identified a £1.1m use of this reserve in order to balance the budget. Since that report the Council identified additional government and council tax funding that meant that draw down from reserves was not required. Advice to the Cabinet was that the monies should be held therefore in reserve to enable financial planning due to the uncertainty surrounding the Fair Funding review and thus subsequent years Government grant allocations, as well as the shortfall that exists in the ability of this funding to meet projected demand. As such this reserve could be used but it will leave a risk within the overall position of the reserves if the Fair Funding outcome worsens our funding, and this would need to be addressed in future year budget setting through saving proposals, as opposed to use of reserves. Amendment one and three would use a total of £892,500 of the £1.1 million referred to in the December Cabinet paper.
6. At the stage we have still to receive the Public Health Grant announcement. Whilst Public Health England announced in December that the grant would increase by the retail price index (RPI) plus one percent, the detailed allocations have not been released. There is a risk that the funding formulae to allocate the grant could be reviewed and as such there is no certainty regarding the Council's allocation. If there were no change in the formula the Council could expect to receive circa £0.5 million additional to budget due to the increase. What is not clear is the nature or content of future year's funding. The detail of the allocation would need to be agreed by the Director of Public Health to ensure the detail met the eligibility criteria of the grant. At this stage without the details of the grant this cannot be clarified as such the amendment could only be considered if the grant is forthcoming and can only be seen as an allocation in principle.

Monitoring Officer technical comments

7. On Amendment 3, Council is able to set the budget available for the Worcestershire Councillors' Divisional Fund for 2020/21.

8. Amendments 1 and 2 do not appear to impact adversely on the statutory duties of the Section 151 Officer or the Head of Paid Service, or any other statutory requirements set out in the Cabinet report. Council is responsible for setting the Budget; the executive (Cabinet) is responsible for discharging executive functions as it thinks fit within those budgetary limits.

Head of Paid Service technical comments

9. As Head of Paid Service, I can confirm that officers have provided independent technical advice.
10. We are aware of the full details of Labour's amendments as set out and consider the proposals are intra vires, and do not impact adversely on the Cabinet's budget recommendations as they would not change the net budget requirement, the level of Council Tax or reserves proposed.

Conclusion

11. Council is able to consider the three amendments.

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2017 Group Amendment to the Cabinet’s proposed 2020/21 Budget For Consideration at Full Council 13 February 2020

Purpose of report

- To present to Full Council one proposed amendment from the 2017 Group to the budget recommended by Cabinet on 30 January 2020, with officers’ technical comments on the impact to the budget.

Background

- The proposals are set out below:

Amendment : Investing in reducing global warming

2017 Group Budget Amendment Proposals 2020/21	Amendment 1	
	£	£

Capital investment in the following areas:

- LED Streetlighting** – to extend the Cabinet’s proposals and divert a further £1 million in 2020/21 to install c4,300 more LED lights into the existing County Council stock of street lights. This is forecast to save £50,000 of revenue in-year and a recurring £100,000 revenue saving for the following year (2021/22) on the current set tariffs and usage. The revenue saving to be invested as below.

1,000,000

Revenue investment in the following areas:

- To invest in an audit of the Council’s properties to access and draw up proposals to ensure that the Council’s own buildings (excluding schools) will be carbon neutral. It is envisaged and hoped that the funding to carry out the proposals will come from the savings in the energy cost/budgets currently in place for those buildings, as well as grant opportunities.

50,000

[NB For **2021/22** it is anticipated that additional savings as realised from the Street lighting LED initiative would be **diverted to Youth Services**; this would be £100,000 per annum all things being equal.]

Total Capital 2020/21	1,000,000
Total Revenue 2020/21	50,000

One-off investment funded from the following areas:

Capital

To amend the Cabinet's proposals as set out at paragraph 5.7 of the Cabinet report that propose an increase in Highways spend by £6 million to £5 million, thus making available £1m within the current borrowing and investment envelopes.

(1,000,000)

Revenue

Use of the anticipated savings from the increased LED conversion, as a part year affect in 2020/21 arising from the Capital amendment set out above.

(50,000)

Total Capital Funding 2020/21	(1,000,000)
Total Revenue Funding 2020/21	(50,000)

3. As noted above the intention is that future year savings (2021/22 onwards) arising from the full impact of the LED conversion would be directed to fund additional Youth Services. This would be moved as part of the setting of that year's budget.

Financial technical comments

4. The proposals balance and do not impact on the net base budget proposed in the original paper to Cabinet.
5. The amendment assumes that the savings arising from replacing more street lights with LED bulbs is on the current agreed tariff from 1st April 2020 and at the current usage (KwH). It is not assumed that a full year saving can be achieved in year one as there will be a period of replacement. As this has not been debated and thus not scheduled a half year saving has been assumed only for 2020/21, this figure could change dependent on any programme of delivery.
6. The assumed savings in future years would be recurring, all things being equal, but would need to be reviewed as tariff prices are set. As these are currently set 1st April 2020 to 31st March 2022 that would yield a risk for 2022/23, however the use of these funds to fund recurring spend would be possible subject to a review of any change in tariffs. One way to mitigate this maybe a further street lighting usage review, but that could be carried out in 2022.

Monitoring Officer technical comments

7. The proposals do not appear to impact adversely on the statutory duties of the Section 151 Officer or the Head of Paid Service, or any other statutory requirements set out in the Cabinet report. Council is responsible for setting the Budget; the executive (Cabinet) is responsible for discharging executive functions as it thinks fit within those budgetary limits.

Head of Paid Service technical comments

8. As Head of Paid Service, I can confirm that officers have provided independent technical advice.
9. We are aware of the full details of 2017 Group's amendments as set out and consider the proposals are intra vires, and do not impact adversely on the Cabinet's budget recommendations as they would not change the net budget requirement, the level of Council Tax or reserves proposed.

Conclusion

10. Council is able to consider the amendment.

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