

MEETING	ON
COUNCIL	28 <sup>th</sup> FEBRUARY 2018



TITLE	PROPOSER	Agenda item No.
LABOUR GROUP BUDGET AMENDMENT	Councillor M. Tomlinson	

## 1. BACKGROUND

- 1.1 The Labour Group proposes an amendment to the 2018/19 budget as recommended to this Council by Cabinet on 14<sup>th</sup> February 2018. This paper summarises our proposals for consideration by Council and our continued priorities for future years.
- 1.2 In order to allow full consideration of these proposals, they ought to be published within the Council Agenda so as to seek as wide support as possible, both from elected members and the Council Tax payers of South Ribble. We have also consulted with the Statutory Officers to ensure our amendment is both legal and possible to deliver.

## 2. EXECUTIVE SUMMARY

- 2.1 We propose to deliver **no Council Tax increase next year**. We strongly believe that as an Authority we must only ever look to raise local taxation when we need to, not just because we can. Council Tax is a regressive form of taxation which always hits the vulnerable in society the most. From the budget proposals submitted, we feel that there is no justification in increasing the Council Tax base, as we are nowhere near maximising the opportunities to generate income from our assets.
- 2.2 This Council Tax freeze will be funded by increasing the targets for savings and efficiencies through transformation; setting a realistic target for extra income generation; and taking a modest sum from the cash reserves the Council currently holds. .
- 2.3 In future years Labour Group **will seek the removal of Council Tax Support Scheme** and this is budgeted to be removed from 2019/20 onwards. There will be a requirement for urgent work to be undertaken by Council Officer's to set the wheels in motion for the withdrawal of this scheme, that unjustly impacts on those who can least afford it.
- 2.4 We also would seek to fund referenda to **Parish the whole borough**, this is critical to ensure community engagement is fully enhanced and all opportunities for additional funding for local community projects are maximised. This is a one-off cost and balances could fund this. In addition, we will seek to establish a **Community Initiative Fund** from 2019/20 onwards; as detailed in our budget of last year, we feel we have a duty to support the voluntary sector/individual community initiatives.
- 2.5 Our focus is to also drive out significant savings from **maximising the sharing of services** with partners, and feel this is an area where significant focus is required in the coming months. Furthermore, we must develop strategies that can deliver significant income to the Council for the **utilisation of our assets**, such as festivals and events in our parks and open

spaces and far greater commercial use of the space within the Civic Centre. We intend to set ambitious targets in both these areas over the medium term financial plan.

- 2.6 Our plan is ambitious and proactive but deliverable. Therefore, some use of balances is required in the early years to balance the budget. However, our longer-term ambition will deliver a positive financial contribution to offset this.

### **3. PROPOSAL FOR 2018/19 BUDGET**

- Zero increase in Council Tax in 2018/19.
- Increase target for transformation/shared services savings by £75,000.
- Seek additional income of £50,000 in 2018/19.
- Utilise £96,000 from balances to balance the budget.

### **4. COMMENTS OF THE STATUTORY FINANCE OFFICER**

- 4.1 With regards to the amendments to the Budget for 2018/19, the proposed increase in transformation savings and income targets would need to be delivered in order to mitigate the loss of potential future income from not increasing Council tax. There is an adequate level of reserves to meet the use of balances proposed.
- 4.2 The budget sets additional challenging savings and income generation targets for 2019/20 to 2022/23. If these targets aren't delivered, balances could be used in the short-term to balance the budget. However, this is not sustainable in the long term.

### **5. COMMENTS OF THE MONITORING OFFICER**

- 5.1 What the Labour group propose are amendments to the proposed budget by the administration. Advance notice of such proposals is clearly to be welcomed and is good practice. There are no specific legal issues that need to be made in this context. The general legal issues associated with budget setting are set out in the report that contains details of the administration's proposals. Clearly it is for members to assess the desirability and deliverability of the proposed amendment from the Labour group.

LABOUR GROUP ALTERNATIVE BUDGET & MEDIUM TERM FINANCIAL STRATEGY					
	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
PORTFOLIO	2018/19	2019/20	2020/21	2021/22	2022/23
	£000's	£000's	£000's	£000's	£000's
Leader	1,910	1,966	1,932	1,955	1,994
Finance	874	895	895	895	895
Corporate Support and Assets	5,287	5,230	5,356	5,462	5,571
Neighbourhoods & Streetscene	5,354	5,345	5,378	5,498	5,608
Public Health Safety & Wellbeing	422	437	452	465	475
Regeneration and Leisure	1,434	1,465	1,461	1,486	1,515
Strategic Planning & Housing	141	96	16	16	16
Pensions Triennial Review	0	0	200	200	200
Restructure savings	(210)	(410)	(410)	(410)	(410)
Staff Turnover Savings Target	(100)	(100)	(100)	(100)	(100)
<b>TOTAL SERVICE BUDGETS</b>	<b>15,112</b>	<b>14,924</b>	<b>15,180</b>	<b>15,466</b>	<b>15,764</b>
Financing and Investment	(2,563)	(2,479)	(2,438)	(2,438)	(2,438)
Transfers to/(from) earmarked reserves	30	(90)	30	30	30
<b>BOROUGH COUNCIL BUDGET REQUIREMENT</b>	<b>12,579</b>	<b>12,355</b>	<b>12,772</b>	<b>13,058</b>	<b>13,356</b>
FUNDED BY:					
Revenue Support Grant/Tariff adjustment	0	494	494	494	494
Transition Grant	0	0	0	0	0
New Homes Bonus (net of City Deal payments)	(407)	(135)	(59)	0	0
Retained Business Rates (net of City Deal payments)	(4,293)	(4,293)	(4,293)	(4,293)	(4,293)
Council Tax	(7,467)	(7,516)	(7,616)	(7,766)	(7,826)
<b>TOTAL FUNDING</b>	<b>(12,167)</b>	<b>(11,450)</b>	<b>(11,474)</b>	<b>(11,565)</b>	<b>(11,625)</b>
<b>FORECAST BUDGET GAP</b>	<b>412</b>	<b>905</b>	<b>1,298</b>	<b>1,493</b>	<b>1,731</b>
<b>18/19 BUDGET PROPOSALS:</b>					
Investment in Corporate Plan (net)	173	125	100	100	100
Net borrowing costs from Capital Strategy	45	140	520	880	900
Indicative Savings and income from Capital Strategy	0	0	(100)	(1,186)	(1,186)
Transformation and Shared Services savings	(270)	(580)	(615)	(615)	(615)
Additional Transformation Savings	(75)				
Increase in Shared Services Savings		(250)	(400)	(400)	(400)
Release from Transformation Fund	(79)	0	0	0	0
Fees and Charges	(60)	(121)	(121)	(121)	(121)
New Income Generation	(50)	(200)	(300)	(400)	(500)
Council Tax increases	0	(147)	(298)	(451)	(607)
Remove Council Tax Support Scheme from 19/20	0	73	73	73	73
Consultation cost re borough-wide parishes		100	0	0	0
Community Initiative Fund	0	120	120	120	120
<b>MTFS ASSUMPTIONS:</b>					
Contribution to Capital Asset reserve	0	0	0	635	538
Forecast net Business Rates Growth	0	0	(250)	(500)	(500)
	96	165	27	(372)	(467)
Contribution (from)/to General Fund Balance	(96)	(165)	(27)	372	467
<b>FORECAST BUDGET (SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>