

Proposed Corrections and Amendments Council 03 March 2020

Item 17 – Revenue Budget 2020/21 Appendix J

The Portfolio Holder will provide a verbal update on the meeting during his presentation at Council.

Item 17 – Revenue Budget 2020/21

Amendments from the Liberal Democrat Group

Proposer: Jeff Brooks

Secunder: Lee Dillon

See Separate Document Below

S151 Officer Comments

The proposals are using one-off funding to balance the 2020-21 budget. This would have the result in further decreasing the Council's overall reserves level, though not impacting on the General Reserve and the minimum level by the s151 officer.

The proposal to fund the above £672k from specific reserves in 2020-21 would mean that the transformation reserve is depleted after taking into account existing commitments, the impact would be to reduce the ability to fund future Invest to Save proposals, and a further £330k would be funded from the Outcomes Based Budgeting reserve, reducing this to £1,670k (the impact is highlighted below).

The £441k of ongoing revenue spend (£422k from the amendments included in the above, plus the revenue element of capital financing of the proposed capital amendment of £19k in the previous capital paper) would need to be added into the 2021-22 budget. The 2021-22 budget is already showing a significant savings requirement of £6.25m, this would increase the savings proposal in 2021-22 to £6.7m. The Council would also have £330k less in reserves which have been set aside to smooth the impact of the forecast savings levels subject to the outcomes of the spending review and Local Government fair funding review.

Further comment on the to the Liberal Democrat business rates proposal:

- The Council could administer a scheme along the lines proposed

- There would need to be a process that we would put in place asking people to apply for the relief as the Council wouldn't be aware if the rateable value was going up because of the work the owner/tenant had completed – there could be a marginal cost to this as the Council may need to do some visits to the property & assessment
 - The scheme would need to add the issue of state aid and take this into account
 - The relief would need to apply after other business rates relief e.g. transitional relief, any retail relief etc
 - The scheme would need to take into account if business rates ceases to exist in the future, and that in the 25 year period there could be eight revaluations. If the proposal in the scheme is that the initial increase in business rates is fully funded (e.g. it goes from £160k p.a. to £175k p.a. so a £15kpa increase) the subsidy from business rates would (in this case £15k p.a. every year) need to be adjusted for in future revaluations. There would be future business rates growth income foregone to the Council due to the scheme of the uplift value.
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Item 17 – Revenue Budget 2020/21

Amendments from the Green Party

Proposer: David Marsh

Seconder: Carlyne Culver

S151 Officer Comments

Depending on the outcome of the earlier amendments, a further £22k of revenue costs of capital financing would need to be considered and funded from the climate emergency fund in 2020-21 and/or future budgets from 2021-22.

- a) *Amendment:* Transfer £1.25m from the General Reserve to a new Climate Emergency Fund. This would leave £6.72m in the General Reserve (above the minimum recommended £6.5m).

Reason: To release additional funds to reflect the urgency of measures to combat climate change. The new fund would be supplemented, in future years, as and when such measures reduce costs or generate revenue (for example, through “invest to save” projects).

S151 Officer Comments

This would put the Council above the absolute minimum level of general fund reserves, but with a significantly reduced reserve level for the risks identified, and would increase the potential of utilising the general reserve in the future.

- b) Bus Service, Hambridge Lane/Hambridge Road

£100,000 from the Climate Emergency Fund would be used to pay for an existing peak-time bus route from Thatcham to Newbury to divert along Hambridge Lane/Hambridge Road, and on to the bus and rail stations, initially as a one-year trial.

S151 Officer Comments

Noted and included as part of comments on the creation of this fund in an earlier amendment. This would reduce the Climate Emergency Fund to £1.15m.

- c) Funding for Supported Bus Services 20/21

In addition to the above, £108,507 has been made available to the council from the government’s “better deal for bus users”, and we support using this to improve rural services, including route 5 (Downlands villages-Newbury) and route 47 (Lambourn-Swindon).

S151 Officer Comments

Noted and there is currently provisional funding allocated.