

COUNCIL, THURSDAY 24 FEBRUARY 2022

AMENDMENT TO THE BUDGET SUBMITTED BY COUNCILLOR M WYATT

I move the amendments to recommendations to item 10 BUDGET AND COUNCIL TAX 2022/23 with amended areas highlighted in red.

Should these changes be agreed, members will need to be mindful of the consequential changes to agenda item 11 Prudential Indicators and Treasury Strategies 2022-23 also with amended areas highlighted in red.

AGENDA ITEM 10 BUDGET AND COUNCIL TAX 2022/23

Recommendations	COUNCIL IS RECOMMENDED:
	<ol style="list-style-type: none">1. TO NOTE THE S151 OFFICER'S COMMENTS ON THE ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES (SET OUT IN PARAGRAPH 1.3), AS REQUIRED BY SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003.2. TO NOTE THE MEDIUM-TERM FINANCIAL PLAN APPROVED BY CABINET ON 1 FEBRUARY 2022 AS DETAILED IN PARAGRAPH 1.2 AND THE ASSOCIATED BACKGROUND PAPER.3. TO APPROVE THE GENERAL FUND REVENUE BUDGET FOR 2022/23 AS SUMMARISED IN SECTION 2 OF THIS REPORT, SUBJECT TO THE CHANGES SHOWN IN THIS ALTERNATIVE BUDGET. THIS INCLUDES:<ol style="list-style-type: none">a. FREEZING THE DISTRICT COUNCIL'S SHARE OF COUNCIL TAX IN 2022/23b. CHANGES TO THE FEES AND CHARGES AS DETAILED IN APPENDIX 1B, EFFECTIVE FROM 1 APRIL 20224. TO APPROVE THE HOUSING REVENUE ACCOUNT BUDGET FOR 2022/23 AS SUMMARISED IN SECTION 3 OF THIS REPORT, SUBJECT TO THE CHANGES SHOWN IN THIS ALTERNATIVE BUDGET. THIS INCLUDES:<ol style="list-style-type: none">a. INCREASING RENTS BY UP TO 1.5%

	<p>b. CHANGES TO FEES AND CHARGES AND SERVICES CHARGES, AS DETAILED IN APPENDICES 2B AND 2C</p> <p>5. TO APPROVE THE PROPOSED GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMMES FOR 2022/23 AND PLANNED FINANCING, AS SET OUT IN SECTION 4 OF THIS REPORT, SUBJECT TO THE CHANGES SHOWN IN THIS ALTERNATIVE BUDGET.</p> <p>6. TO APPROVE THE FLEET REPLACEMENT PROGRAMME FOR 2023/24, TO ALLOW VEHICLES TO BE ORDERED IN ADVANCE.</p> <p>7. TO APPROVE THE REMAINING ELEMENTS OF THE GENERAL FUND AND HRA CAPITAL PROGRAMMES 2023/24 – 2026/27 FOR INDICATIVE PURPOSES ONLY.</p> <p>8. TO APPROVE THE SPECIAL EXPENSES REVENUE BUDGET FOR 2022/23 AS SUMMARISED IN SECTION 5. THIS INCLUDES:</p> <p>a. SETTING THE SPECIAL EXPENSE BAND D COUNCIL TAX AT THE LEVELS DETAILED IN TABLE FIVE OF THIS REPORT.</p> <p>9. TO APPROVE THE FOLLOWING AMOUNTS FOR THE YEAR 2022/23 IN ACCORDANCE WITH REGULATION 31B OF THE LOCAL GOVERNMENT FINANCE ACT 1992 AS AMENDED:</p> <p>(1) 35,581 BEING THE AMOUNT CALCULATED BY THE COUNCIL, IN ACCORDANCE WITH REGULATION 3 OF THE LOCAL AUTHORITIES (CALCULATION OF COUNCIL TAX BASE (ENGLAND) REGULATIONS 2012, AS ITS COUNCIL TAX BASE FOR THE YEAR.</p> <p>(2) THE AMOUNTS SPECIFIED IN APPENDIX 6 TABLE A OF THIS REPORT BEING THE AMOUNTS CALCULATED BY THE COUNCIL, IN ACCORDANCE WITH SECTION 34 OF THE LOCAL GOVERNMENT FINANCE ACT 1992, AS THE AMOUNT OF ITS COUNCIL TAX BASE FOR THE YEAR FOR DWELLINGS IN THOSE PARTS OF ITS AREA TO WHICH ONE OR MORE SPECIAL ITEMS RELATE.</p> <p>10. TO APPROVE THAT THE FOLLOWING AMOUNTS BE NOW CALCULATED BY THE COUNCIL FOR THE YEAR 2022/23 IN</p>
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	<p>ACCORDANCE WITH SECTIONS 31A AND 31B OF THE LOCAL GOVERNMENT FINANCE ACT 1992 AS AMENDED:</p> <p>(1) <u>DISTRICT/PARISH GROSS EXPENDITURE</u> 60,111,517 BEING THE AGGREGATE OF THE AMOUNTS WHICH THE COUNCIL ESTIMATES FOR THE ITEM SET OUT IN SECTION 31A (2) OF THE ACT.</p> <p>(2) <u>INCOME</u> £51,365,280 BEING THE AMOUNT BY AGGREGATE OF THE AMOUNTS WHICH THE COUNCIL ESTIMATES FOR THE ITEMS SET OUT IN SECTION 31A (3) OF THE ACT.</p> <p>(3) <u>DISTRICT/PARISH GROSS EXPENDITURE</u> £8,746,237 BEING THE AMOUNT BY WHICH THE AGGREGATE AT 10(1) ABOVE EXCEEDS THE AGGREGATE AT 10(2) ABOVE, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 31A(4) OF THE ACT AS ITS COUNCIL TAX REQUIREMENT FOR THE YEAR.</p> <p>(4) <u>BASIC AMOUNT OF TAX (INCLUDING AVERAGE PARISH PRECEPTS)</u> £245.81 BEING THE AMOUNT OF 10(2) ABOVE, DIVIDED BY THE AMOUNT STATED AS THE COUNCIL TAX BASE IN PARTS OF THE COUNCIL'S AREA, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 31B OF THE ACT AS THE BASIC AMOUNT OF ITS COUNCIL TAX FOR THE YEAR.</p> <p>(5) <u>PARISH PRECEPTS/SPECIAL EXPENSES</u> £3,103,803 BEING THE AGGREGATE AMOUNT OF ALL SPECIAL ITEMS REFERRED TO IN SECTION 35(1) OF THE ACT.</p> <p>(6) <u>BASIC AMOUNT OF TAX (BASIC COUNCIL TAX – DISTRICT)</u></p>
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	<p>£158.58 BEING THE AMOUNT AT 10(4) ABOVE LESS THE RESULT GIVEN BY DIVIDING THE AMOUNT AT 10(5) ABOVE BY THE AMOUNT AS STATED AS THE COUNCIL TAX BASE FOR THE WHOLE OF THE COUNCIL AREA, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 34(2) OF THE ACT, AS THE BASIC AMOUNT OF ITS COUNCIL TAX FOR DWELLINGS IN THOSE PARTS OF ITS AREA TO WHICH NO SPECIAL ITEMS RELATES.</p> <p>(7) <u>BASIC AMOUNT OF TAX (PARISHED AREAS)</u> THE AMOUNTS LISTED IN COLUMN 5 OF TABLE B APPENDIX 6 TO THIS REPORT, BEING THE AMOUNTS GIVEN BY ADDING TO THE AMOUNT AT 10(6) ABOVE, THE AMOUNTS OF THE SPECIAL ITEM OR ITEMS RELATING TO DWELLINGS IN THOSE PARTS OF THE COUNCIL'S AREA MENTIONED, DIVIDED IN EACH CASE BY THE AMOUNT STATED AS THE COUNCIL TAX BASE IN PARTS OF THE COUNCIL AREA, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 34(3) OF THE ACT AS THE BASIC AMOUNTS OF ITS COUNCIL TAX FOR THE YEAR FOR DWELLINGS IN THOSE PARTS OF ITS AREAS TO WHICH ONE OR MORE SPECIAL ITEMS RELATE.</p> <p>(8) <u>DISTRICT/PARISH COUNCIL TAX RATES</u> THE AMOUNTS SET OUT IN TABLE C APPENDIX 6 TO THIS REPORT BEING THE AMOUNTS GIVEN BY MULTIPLYING THE AMOUNTS AT 10(6) AND 10(7) ABOVE BY THE NUMBER WHICH, THE PROPORTION SET OUT IN SECTION 5(1) OF THE ACT, IS APPLICABLE TO DWELLINGS LISTED IN A PARTICULAR VALUATION BAND D, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 36(1) OF THE ACT AS THE AMOUNTS TO BE TAKEN INTO ACCOUNT FOR THE YEAR IN RESPECT OF CATEGORIES OF DWELLING LISTED IN DIFFERENT VALUATION BANDS.</p> <p>11. <u>MAJOR PRECEPTING AUTHORITIES</u> THAT IT BE NOTED THAT THE AMOUNTS SET OUT IN TABLE D APPENDIX 6 TO THE REPORT ARE THE AMOUNTS</p>
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	<p>NOTIFIED BY LEICESTERSHIRE COUNTY COUNCIL, LEICESTERSHIRE POLICE AND CRIME COMMISSIONER AND THE COMBINED FIRE AUTHORITY IN ACCORDANCE WITH SECTION 40 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 HEREBY SETS THE AMOUNTS OF COUNCIL TAX FOR THE COUNCIL'S AREA FOR THE YEAR 2022/23 FOR EACH OF THE CATEGORIES OF DWELLINGS AS SHOWN IN TABLE E APPENDIX 6.</p> <p>12. <u>COUNCIL TAX BASE – ALL BANDS</u> THAT, HAVING CALCULATED THE AGGREGATE IN EACH CASE OF THE AMOUNTS AT 10(8) (TABLE C APPENDIX 6) AND 11 (TABLE D APPENDIX 6) ABOVE, THE COUNCIL IN ACCORDANCE WITH SECTION 30(2) OF THE LOCAL GOVERNMENT FINANCE ACT 1992 HEREBY SETS THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA FOR THE YEAR 2022/23 FOR EACH OF THE CATEGORIES OF DWELLINGS AS SHOWN IN TABLE E APPENDIX 6.</p> <p>13. <u>REFERENDUMS RELATING TO COUNCIL TAX INCREASES</u> TO NOTE THAT THE RELEVANT BASIC AMOUNT OF COUNCIL TAX FOR 2022/23 IS NOT EXCESSIVE.</p>
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1.0 PROPOSED CHANGES TO THE GENERAL FUND BUDGETS

1.1 The Liberal Democrat Group proposes three changes to the general fund budgets:

- That a budget of £15,000 be allocated to support district wide tree planting initiatives with a view to receiving match funding.
- That the feasibility study to support regenerating Coalville service development (number 1 on Appendix 1a) be extended to include the former market building and consideration be given to working with Coalville CAN to developing a community enterprise providing additional leisure facilities. ***No additional financial implications.***
- That the Council accommodation relocation is paused for 6 months so a further consultation can take place with trade unions and members of the public. To include open dialogue with Leicestershire County Council to reconsider relocation of the library and social services with a proposal to relocate both facilities at current council building. Potential savings and regeneration land becoming available for further development. ***No additional financial implications.***

1.2 The impact of this change is summarised in table 1 below.

Table 1: Summary of changes to the General Fund Budget

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
GF Starting position						
GF Surplus/(Deficit)	1,196	-3,241	-5,997	-6,803	-6,725	-21,570
Liberal Democrats Alternative Budget Changes						
1) District-wide tree planting initiatives	-15	0	0	0	0	-15
GF Liberal Democrats position						
GF Alternative Budget Surplus/(Deficit)	1,181	-3,241	5,997	-6,803	-6,725	-21,585

2.0 PROPOSED CHANGES TO THE HOUSING REVENUE ACCOUNT BUDGETS

- 2.1 The Liberal Democrat Group proposes that the increase in Housing Rents for 2022/23 be reduced to 1.5% and that this be funded from an increase in J2SS savings. This is a one-off reduction to assist with those more likely to be affected by the cost of living crisis.
- 2.2 A 1.5% increase in rents would reduce forecast rental income by £277,000 when compared with the proposed 4.1% increase. There would also be a reduction in rental income in future years due to the smaller compounding impact of a lower initial increase, which brings the total 5-year cost up to £1.5 million. An equal increase in J2SS savings has been added to fund the 'one-off' smaller rent increase. The impacts are set out in table 2.
- 2.3 It should be noted that if the additional J2SS savings are not achieved then reserves would have to be used which would ultimately translate to additional borrowing as reserve balances will be used to contribute to the housing capital programme which is targeting energy efficiency housing improvement as well as new building.

Table 2: Summary of changes to the Housing Revenue Account Budget.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Total £'000
HRA Starting position						
HRA Surplus/(Deficit)	65	117	78	423	177	860
Liberal Democrat Alternative Budget Changes						
1) Rent increase reduced from 4.1% to 1.5%	-277	-289	-298	-304	-310	-1,477
2) Increase in J2SS savings target	277	289	298	304	310	1,477
HRA Liberal Democrat position						
HRA Alternative Budget Surplus/(Deficit)	65	117	78	423	177	860

AGENDA ITEM 11 PRUDENTIAL INDICATORS AND TREASURY STRATEGIES 2022-23

Recommendations	<p>COUNCIL ARE REQUESTED TO APPROVE, SUBJECT TO THE CHANGES SHOWN IN THIS ALTERNATIVE BUDGET:</p> <ol style="list-style-type: none"> 1. THE CAPITAL STRATEGY 2022-23 (APPENDIX 1) 2. THE TREASURY MANAGEMENT STATEMENT 2022-23 (APPENDIX 2) 3. THE MINIMUM REVENUE PROVISION (MRP) STATEMENT 2022-23 (APPENDIX 3) AND 4. THE INVESTMENT STRATEGY 2022-23 (APPENDIX 4)
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3.0 CONSEQUENTIAL CHANGES TO PRUDENTIAL INDICATORS AND TREASURY STRATEGIES 2022-23

- 3.1 The changes within this alternative budget do not impact the Prudential Indicators and Treasury Strategies 2022-23.