

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY COUNCILLOR FRANCIS

The following sets out comments by the Section 151 Officer and the Monitoring Officer on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Comments of the Chief Financial Officer

The proposed amendment has been reviewed by the Chief Finance Officer.

The proposed reinstating of projects into the General Fund capital programme could increase borrowing costs (requiring General Fund revenue budget to fund the interest on debt), depending on the availability of other funding sources.

The proposal to increase Housing Revenue Account (HRA) rents by 5 percent would reduce estimated income to the HRA by £1.4m per annum. This would decrease the level of HRA reserves to c£2.5m by the end of 2026-27. This proposal would also mean that the 2023-24 billing to residents would need to be recalculated and processed again.

The £15m proposed addition into the HRA capital programme would increase borrowing costs and other savings would need to be found to ensure the HRA is financially sustainable in the medium term.

Comments of the Monitoring Officer

The process for submitting and considering amendments to the Administration's Budget Motion are set out in the Council's Constitution (Council Procedure Rules). I can confirm that the process that has been followed for the submitted amendments meets those requirements.

Pursuant to Section 32 of the Local Government Finance Act 1992 the Council is required to set a balanced budget. The indicative figures set out in these proposed amendments appear to meet that requirement however, if any of the amendments are adopted by Council, officers will need to undertake further work to determine whether the proposals can be achieved at the savings/expenditure levels set out.