

Conservative Budget Amendment

Proposer: Cllr Peter Golds

Seconder: Cllr Nathalie Bienfait

This Council notes:

The Mayors new budget is a radical departure from recent budgets in the scale of its ambition. It uses reserves built up over recent years to cushion the impact of the cost-of-living crisis and to fund large increases in spending. But once reserves are spent, they are gone and are not easily rebuilt.

And the fair funding and business rates review remain a long-term risk to our finances even if transitional arrangements are put in place. Working from home may threaten our business rates income. But the scale of the savings required to ensure a balanced budget over the next three years are equally ambitious and in recent years the Council has not been good at delivering agreed savings often having to write them off later (which is happening again this year).

There is a real risk that the spending increases may not be sustainable especially as there is no detail yet on how £38 millions of savings will be found between April 2024 and March 2026. But in 2025-26 they equal 9% of our forecast total income in that year alone.

Savings Summary

	2023-24	2024-25	2025-26	
	£'million	£'million	£'million	
Savings - Previously approved by Full Council	(7.2)			Detail available
Savings - Unachievable and Reprofiled	7.7	(0.9)	(0.1)	Detail available
New Savings	(10.0)	(0.9)	(0.9)	Detail available
Savings required to be found		(30.8)	(37.8)	No detail available
Total savings required	(9.5)	(32.6)	(38.8)	
Total funding available	423.9	441.3	454.1	
Savings as a % of total funding	2%	7%	9%	
	Balance	Balance	Balance	
	March 2024	March 2025	March 2026	

Earmarked Reserves without Restrictions	56.3	29.9	18.9
Savings as a % of reserves with no restrictions	17%	109%	205%

Duplication of costs

We are concerned about some of the duplication in the Mayors budget especially of communications staff in his office as well as in the main Communication team.

Capital spend & Local Infrastructure Fund

We are concerned about the historical failure for many years now to deliver the capital budget on time and in particular the cancellation of all of the Local Infrastructure Fund (LIF) projects (very few of which were delivered). But the LIF has been extensively consulted on already, so the Council know where residents want to spend the money.

Now that the Town Hall has been delivered, we would urge the Council to focus on building the infrastructure required to support the scale of development planned in the Borough which also means less money is lost to inflation.

We are also concerned about the scale of the internal borrowing £394.8 million as at the 31st March 2022 and how that will be paid back.

This Council therefore recommends:

In 2020 and 2019 the Conservatives made a number of suggestions on how to plan better for the future. They have not yet been implemented but they may help find sustainable savings. They include:

Develop an income strategy

For some years the Council has not had a strategy on how to boost its income, but the filming income shows what is possible. While some Councils have taken on too much risk there are many examples of low-risk income generation.

For example:

- HMO Council tax changes – HMOs cram many adults into what were designed to be family size homes but there is no change in Council tax as a result. But we have to pay for the services those extra adults require (& some will be students who pay no Council tax). The government launched a consultation on the 17th February to review this and we urge the Mayor to respond to it.
- Fine income from prosecutions – historically we have very rarely prosecuted poor behaviour even when the fine income might be enough to pay for the costs of prosecution and generate an income. Some other Councils are more successful.

- ANPR bus cameras – even with resident exemptions they can generate substantial sums, they don't block roads and may allow the Mayor to find a compromise solution to Liveable Streets
- Electric vehicle charging network – why should companies like Shell etc make a profit here when we could provide the EV charging network for both visitors and residents.
- Investment income – we get very low returns on our invested income and therefore lose substantial sums to inflation.