

**Labour Amendment to the Leader’s Recommendation 2:
Revenue Resources and Council Tax 2022/23 and Recommendation 3 to
approve the Capital Budget**

The budget papers published for this meeting of Full Council 28 February 2022 including the Leader’s Alteration set out estimated revenue resources from Business Rates and assumed modelling of Council Tax to reflect a rise of 1.00% for the Adult Social Care precept and 1.74% for council tax in 2022/23.

The Leader of the Labour Group proposes an amendment to Recommendation 2 of the Revenue and Capital Budget 2022/23 report:

2. To approve a Council Tax freeze at the 2021/22 levels for 2022/23 (0% increase)

To note: This is in addition to the 1% Adult Social Care Precept as set out in the Leader’s Alteration

The result from this amendment is:

1. Final total resources for 2022/23 of £197.750m comprising Council Tax of £122.575m; Business Rates £65.130m; Revenue Support Grant £10.045m.
2. A total net revenue budget for 2022/23 of £197.750m.
3. We propose to fund the resultant budget shortfall of £2.124m:

	Item	£m
4.1	Re-phasing the proposed Capital Budget will see re-timing of investments to ensure the interest rate charges will reflect the approval of the subsequent Business Cases by the Leader of the Council	0.544
4.2	Working Balance Top Up to move to a target 5% value – a contribution holiday for 2022/23 only; contributions will continue again in 2023/24	0.350
4.3	Decisions of the Incoming Administration - delete the allocation	0.300
4.4	Cost reduction target This amendment proposes to set up a cross-party working group to investigate the use of the current £16m commercial rental income and drive out a £500k saving against the current expenditure	0.500
4.5	Amend to 50% proposed ICT Inflation from the current £400,000 to £200,000 to include management actions to control the expenditure	0.200
4.6	Invest 2 Save – to include an initial initiative to explore new pothole technology as implemented successfully by another local authority	0.230
	Total	2.124

The budget papers published for this meeting of Full Council 28 February 2022 set out as Recommendation 3. “To approve the Capital Budget of £688.366m for 2021 to 2026”

The proposed amendment to Recommendation 3 of the Revenue and Capital Budget 2022/23 report is:

3. To approve the Capital Budget of £688.366m for 2021 to 2026 but to include the following additional recommendations:

- a) Setting up a cross-party working group to ensure a better use of the existing capital allocations, ensuring a full value for money review is undertaken;
- b) The creation of a new Community Improvement Fund, with a fixed allocation per Councillor, to enable them to determine the spend within their Ward

The result from this amendment is:

1. No change to the proposed value of the Capital Budget 2021-2026
2. The setting up of a new Community Improvement Fund, which will comprise the capital resources identified by the Working Group's review of the current Capital Programme, with a target of £950,000 (0.5% of the 2022/23 programme). This will give an allocation of £50,000 per three (3) Member Ward and £33,300 for a two (2) Member Ward.
3. The creation of a working group which will consist of:
 - a. The Cabinet Member for Finance, as Chair
 - b. The Shadow Finance Lead
 - c. Relevant Scrutiny Leads
 - d. Senior Officers (as required)
4. The Working Group will meet during the first quarter of financial year 2022/23 and report back to Full Council with the resultant amendments and proposals
5. The Working Group will consider:
 - a. Ease of application
 - b. Agreement on carry forward of un-spent allocations
 - c. Prioritisation
6. This new fund will work alongside and compliment:
 - a. The current revenue allocation to the Councillor Community Grants of £350,000, and
 - b. The current capital allocation to the Living Streets Fund of £160,000

S 151 Officer's Budget Robustness Statement

The law requires the Section 151 Officer to formally report to Council as part of the Council tax setting process their view on the robustness of estimates used in the budget setting process. This includes a view on the level of reserves which are held against specific liabilities and risks. In setting the Council Tax it is the collective obligation of all Councillors to ensure that the Council sets a balanced budget, taking account of these views.

The Section 151 Officer advises Council as follows:

This amendment reduces the Council's funding by £2.1m in financial year 2022/23 against the leaders amendment and in each year following. Members need to be aware that services provided to the vulnerable in the City are already under extreme pressure due to rising demand and that in the future. Given that some of the offsetting savings identified in the amendment are "one off" savings i.e. savings only available in one year, from 2023/24 these will need to be replaced with fresh savings. There is a significant risk - given that 68% of the Council's expenditure lies in the area of social care for children and adults - that the decision to opt for a nil increase in Council Tax may lead to service reductions in these areas from 2023/24 which would not otherwise be needed.

Further, for the avoidance of doubt, Council needs to be aware that forgoing a Council Tax increase in 2022/23 entails a loss of funding of £2.1m in each year moving forward. This would mean savings of £10.5m over 5 years. The Section 151 Officer wishes to provide strong and clear advice to Council that adopting such a course is not in the financial interests of the Council and that will add to the need to make savings in service provision from 2023/24 onwards.

Plymouth City Council

Band	A	B	C	D	E	F	G	H
2021/22	£1,102.23	£1,285.94	£1,469.64	£1,653.35	£2,020.76	£2,388.17	£2,755.58	£3,306.70
2022/23 - Council Tax 0.00%	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
2022/23 Adult Social Care Precept 1.00%	£11.02	£12.86	£14.70	£16.53	£20.20	£23.88	£27.55	£33.06
Total	£1,113.25	£1,298.80	£1,484.34	£1,669.88	£2,040.96	£2,412.05	£2,783.13	£3,339.76

Police

Band	A	B	C	D	E	F	G	H
2021/22	£157.71	£183.99	£210.28	£236.56	£289.13	£341.70	£394.27	£473.12
2022/23 - Council Tax £10.00 (Band D)	£6.66	£7.78	£8.88	£10.00	£12.22	£14.44	£16.66	£20.00
Total	£164.37	£191.77	£219.16	£246.56	£301.35	£356.14	£410.93	£493.12

Fire

Band	A	B	C	D	E	F	G	H
2021/22	£60.00	£70.00	£80.00	£90.00	£110.00	£130.00	£150.00	£180.00
2022/23 - Council Tax 1.99%	£1.19	£1.39	£1.59	£1.79	£2.19	£2.59	£2.98	£3.58
Total	£61.19	£71.39	£81.59	£91.79	£112.19	£132.59	£152.98	£183.58

Band	A	B	C	D	E	F	G	H
2021/22	£1,319.94	£1,539.93	£1,759.92	£1,979.91	£2,419.89	£2,859.87	£3,299.85	£3,959.82
2022/23	£1,338.81	£1,561.96	£1,785.09	£2,008.23	£2,454.50	£2,900.78	£3,347.04	£4,016.46