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| Budget Amendment Form |
| Amendment Name: | Labour Group’s Alternative Budget | Amendment Number: | **LAB1** |
| Directorate: | All |
| Proposer: | Dr Lauren Sullivan | Seconder: | Alister Brady |
| Proposed Purpose: |
| To amend the budget proposed by the Administration in line with the Labour Group’s Alternative Budget in accordance with sections 8.10 – 14 of the Constitution.  |
| Proposed Amount | Proposed Funding Source: |
| See revised budget appendices A, B, D and G.Please also refer to the Labour Group’s alternative budget covering report, which includes the revised recommendation as proposed by the Labour Group. | See revised budget appendices A, B, D and G.Please also refer to the Labour Group’s alternative budget covering report, which includes the revised recommendation as proposed by the Labour Group. |
| Comments of the S151 Officer | Comments of the Monitoring Officer |
| These comments focus on those areas of the alternative budget that are different to the administration’s draft budget proposals.The amendment represents a balanced set of proposals over the three year period 2023-24 to 2025-26 albeit this relies on £2.1m drawn down from Strategic Priorities reserve in 2023-24 and 2024-25 (with the use of reserves replaced in the subsequent year with sustainable alternative but the reserve not replenished), and £19.4m phased drawdown from smoothing reserves over 2023-24, 2024-25 and 2025-26 (with the use of reserves replaced in the subsequent year with a sustainable alternative and the smoothing reserves replenished). The replacement/replenishment of smoothing reserves drawdown in 2025-26 falls outside the 3 year plan.This meets the balanced budget criteria that an amendment which proposes to use reserves can only be accepted on the basis that it is one-off or time limited unless a sustainable funding solution is identified during that period. However, as outlined in the section 25 assurance statement of the administration’s draft budget and the assessment of risks/adequacy of reserves appendix to the administration’s draft budget report, the Council’s reserves have reduced from previous years (and therefore the financial standing of the Council is weakened in 2023-24). The level of reserves is only considered to be adequate, given the financial risks facing the council (the largest risks being contributions to the Safety Valve programme and forecast 2022-23 overspend), with the conclusion that further use of one-off funding, including reserves should be limited. The amendment relies on use of reserves over a longer period than the administration’s draft budget, which although replaced and replenished in subsequent years means the recovery from a negative trajectory would take longer. The amendment includes additional revenue investment over the three years and reduced capital investment (so less borrowing). Overall the amendment includes higher savings and income proposals to balance the budget compared to the administration’s draft including replacing/replenishing use of reserves over the 3 year period rather than in year 2. The section 25 assurance statement of the administration’s draft budget and the assessment of risks/adequacy of reserves appendix to the draft budget have identified the risks from the levels of savings/income in the administration’s proposed budget. The higher level of overall savings and income in this amendment (albeit these are in the later years of the 3 year plan) increases that risk. Signature: Date: 08.02.23 | It is recognised that some of the budget lines proposed are a considerable departure from those adopted in 2022/23 and proposed by the Administration for 2023/24. I am satisfied that the proposing group have been advised of the respective risks around their proposed amendment and that the proposals therein are theoretically possible. Given the comments of the Section 151 Officer, I am of the view that the proposed amendment is consistent constitutionally and whilst it is not without risk, it would not present a **material** legal risk to the Council.Some of the budget lines and commentary (as with the Administration budget) would need to be subject to further Executive decision-making under our current scheme of governance. Signature: Date: 08.02.23 |