

Liberal Democrat Group Budget Amendment Explanatory Text

Proposer: Chris Smowton

Secunder: Laurence Fouweather

This amendment seeks to prevent the budget's intended £146k/yr cuts to Council Tax Reduction (CTR) support, drawing its funding from a roughly 50/50 mixture of one-off and ongoing savings.

We believe CTR is an important programme to continue to support at the same level as at present, because the proposed level of savings, equivalent to reducing the 100% CTR band to 85%, would in that scenario expose households earning less than £167/week to an additional tax liability of around £300 a year or £25 a month. Even for a household earning the maximum possible earnings for the 100% band, that is a 3.5% fall in their gross income, and may be problematic for households already in a very difficult financial position to adapt to. We also note that most of the new liability does not even accrue to the City Council, so cannot be used by ourselves to provide corresponding compensatory services.

We believe it is appropriate to fund this programme from a mixture of one-off and ongoing savings because while CTR is an ongoing programme and so must have a firm financial underpinning, we are also at a highly unusual point in British history, facing ongoing aftershocks from the financial crisis, Brexit and the COVID pandemic, and with Local Authorities nationwide issuing Section 114 notices at a historically remarkable rate. It therefore seems likely that the next government, which will have been in place for at least 2 years by the end of the MTFP, must take action to redress local government funding in general.

We take a one-off saving from the sale of a hunting trophy that has a high (£200k before cost of sale estimated at £15k) value, but is of no historical note and is in any event currently inaccessible to members of the public. We also recover £16k added to the budget since the Budget for Consultation for flowerbeds in Frideswide Square; we view this as an addition that would be nice to have, but of a very different category of urgency and importance compared to CTR support.

We take ongoing savings by cutting the cost of our own operations, reducing the cabinet SRA budget from 10-person equivalent to 8, and reducing our two deputy leaders to one. The cabinet has in any event been operating with less than 10 members for the past few months, and we further note that from year 2 onwards the council may opt to adopt other approaches (subject to an IRP) to allocating the reduced SRA budget, such as allocating less per cabinet member or tiering cabinet roles into larger and smaller briefs attracting different SRAs. We note just this reduction in SRA spending covers just over 18% of the funding put back into the CTR scheme.

Finally we take the balance of funding by restoring some (£55k/yr) of the savings from the Community Services budget that were intended in the Budget for Consultation. We believe this is a better choice than reducing CTR because we as a council have the administrative resources and collective will to examine our Community Services offer in great detail and identify the least impactful cuts, lever in outside funding, or otherwise ameliorate impact. By contrast the individual families affected by a CTR cut must each individually re-plan for their reduced income, and some of them will surely lack the available time or knowledge to do so effectively. We also note that a detailed review of Community Services is necessary

regardless under the Administration's plan for £350k/yr savings from this budget, and that our ask of £405/yr is still significantly less than the £500k/yr savings originally signed off in the Budget for Consultation.