

Alternative budget proposals – Comments from the Section 151 officer

I am unable to comment on the proposal report as it is last year's budget which was approved at Council and is considered done.

The below proposals were discussed between the Leader of the Opposition and myself; they have been reviewed by the Council's s.151 officer and the following observations have been made.

Proposal	Amount	CFO/s.151 officer comment
Freeze Council Tax at the 2021/22 level (£228.66 at Band D)	£200,000	This will create an ongoing (base budget) pressure on the Council's budgets. It cannot be funded from reserve balances and would increase the savings target – see below.
Address Poverty Issues		
-Food Poverty – Additional support for food banks (£50k)	£50,000	If this is single year change (ie: 2022/23) then it could be funded from general fund balances, but will reduce the level of balances over the four year Medium Term Financial Strategy period. If it is a base budget growth, then it will need to be offset by further service reductions – see below
-Additional Hardship Fund provision for UC claimants (£50k)	£50,000	If this is single year change (ie: 2022/23) then it could be funded from general fund balances, but will reduce the level of balances over the four year Medium Term Financial Strategy period. If it is a base budget growth, then it will need to be offset by further service reductions – see below
Camberley Regeneration		
-Camberley Regeneration – Incentives to tenants	£100,000	If this is single year change (i.e.: 2022/23) then it could be funded from general fund balances, but will reduce the level of balances over the four year Medium Term Financial Strategy period. If it is a

		base budget growth, then it will need to be offset by further service reductions – see below
Staff Pay award (additional lower paid staff)	£50,000	The pay award that is proposed at Council (Agenda Item 11) has been negotiated with due consideration to the budget and the financial position of the Council with a large budget deficit. It is therefore considered that the negotiated amount is the affordable limit for the pay award for 2022/23. This growth item cannot be supported.
Additional savings target	(£75,000)	There is already a budget target of £475,000 as yet unidentified savings and efficiencies in the Medium Term Financial Plan for 2022/23. Whereas I am not able to say that this additional amount (plus the amounts above) is not deliverable, it must be considered that the amount in the budget was arrived at with a great deal of deliberation as to what could be achieved. Any extra could result in a budget target for balancing sake and any increase could be considered unsound.

Summary:

The proposed Medium Term Financial Strategy has been compiled in the face of deficit budget. It addresses many of the deficit issues through a prudent use of reserves over the medium term and an assessment of future service efficiencies and possibly reductions in discretionary services; this level of efficiencies is considered achievable, albeit with some significant work. To further increase this savings target will make the need to reduce discretionary services to residents and businesses much more likely.

Use of reserves is permitted but should not be used to fund ongoing base budget growth through Council Tax reductions or staff pay awards. Items of one-off expenditure could be funded from reserves or balances, and as I mentioned previously, the Council does have strong reserve balances, although many are earmarked for specific purposes and some will also have ring-fence conditions on them.