



MEETING: COUNCIL

MEETING DATE: 27 FEBRUARY 2023

AGENDA ITEM: 10

Amendment to Council from Councillor N Begy

The report approved by the Cabinet and being presented to Council for approval suggests that there is no alternative to a 2% Adult Social Care Levy and a 2.99% increase in Local Council Tax, giving a total of 5% in the year.

Is that the case?

Could the Council raise Council Tax by just 1% plus the Adult Social Care Levy by 2%, just 3% in total? According to the report, this would cost approx. £3m over the period to 2026/27.

The following opportunities are available to members to avoid the need to maximise the increase in Council Tax in a year when many residents, not just the most vulnerable, suffer through higher utility costs, higher mortgage payments, higher food costs, higher income tax, etc.

- 1 When Council approved the Financial Sustainability Strategy, the forecast for the General Fund Reserves was £7.8m by 2027/28. In the Budget MTFP, this has risen by £3m to just over £11m, an increase of £3m
- 2 In the **Treasury Management Strategy** big page 37 para 4.1.1, the Council has “...between £50m to £62m available to invest.” In response to the Scrutiny question about interest receivable on deposits, that number is reduced from £41m to £21m. In addition, there is a “dampening of 20%” to accommodate changes in balances below these already reduces sums and earlier reduction in base rates. If only £5m was added to these balances with a range of £46m to £26m over the same period and the dampening removed, then there could be a further £2m received in interest payments.
- 3 **Contingency** Within the budget is a contingency of 0.5% of expenditure (£245k). However, this percentage rises to 1.5%, 2.4%, 3.4% and 4.3% in subsequent years. Maintaining the contingency in the MTFP at 0.5% over the plan period would increase General Fund Reserves by £5.3m. Even at 1% of expenditure, it would increase Reserves by £4m.
- 4 Savings target over the Plan Period. The Financial Sustainability Strategy was approved with savings of £16.8m over the MTFP period to 2026/27. In the Budget, only £11.9m of savings are now being called for. A difference of nearly £5m
- 5 In the **Treasury Management Strategy** big page 43 para 5.2.5, an overpayment of £2m has been made to the Minimum Revenue Position account. While it would not be wise to put this into General Reserves or use

it to fund current expenditure, in extremis, this could be further support for the General Reserves if they were ever to drop below the £3m minimum level to which Council has agreed.

In 2021, Council supported an increase of only 3%, including the Adult Social Care Levy of 2%, against the strong advice of the 151 Officer. However, the impact of that decision did not result in a significant decline in Reserves. In fact, there was an increase.

Amendment to council

We propose the following amendment at the council meeting of 27th Feb, that council approves a 1% increase in local council tax and a 2% increase in the social care levy, giving a total increase of 3%