

CONSERVATIVE GROUP AMENDMENT

DRAFT BUDGET AND RESOURCE UPDATE 2021/22

To amend recommendation 2.7 with the insertion and deletion of text as shown below in ***bold italics***.

Recommendations:

That the Policy & Resources Committee:

- 2.1 Notes the updated forecasts and latest resource information set out in the report.
- 2.2 Notes the Draft Budget Strategies at Appendix 1 including the areas of focus for potential savings.
- 2.3 Notes the early draft budget savings proposals at Appendix 2.
- 2.4 Notes that the full set of draft budget proposals and Equality Impact Assessments will be brought the January Policy & Resources Committee together with an update on the provisional Local Government Financial Settlement.
- 2.5 Notes the revised timetable including the impact on proposed consultation timelines set out in Section 7.
- 2.6 Notes that subsequent decisions, updated financial data and information from central government regarding the Local Government Financial Settlement (LGFS) are likely to impact further on the development of budget proposals for 2021/22.
- 2.7 Agrees to the un-pausing ***un-pause*** and ~~continued pausing of the~~ ***all*** capital schemes as set out in paragraph 5.18 ***table 8***.

Proposed by: Cllr Miller

Seconded by: Cllr Bell

Recommendations if carried to read:

- 2.1 Notes the updated forecasts and latest resource information set out in the report.
- 2.2 Notes the Draft Budget Strategies at Appendix 1 including the areas of focus for potential savings.
- 2.3 Notes the early draft budget savings proposals at Appendix 2.
- 2.4 Notes that the full set of draft budget proposals and Equality Impact Assessments will be brought the January Policy & Resources Committee together with an update on the provisional Local Government Financial Settlement.
- 2.5 Notes the revised timetable including the impact on proposed consultation timelines set out in Section 7.

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| <p>2.6 Notes that subsequent decisions, updated financial data and information from central government regarding the Local Government Financial Settlement (LGFS) are likely to impact further on the development of budget proposals for 2021/22.</p> <p>2.7 Agrees to un-pause all capital schemes as set out in paragraph 5.18 table 8.</p> |
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Note: Acting Chief Finance Officer's comments:

The amendment would result in all previously paused capital schemes being un-paused. Importantly, this would include the Madeira Terraces capital scheme which was predicated on borrowing £40 million to invest in commercial properties to generate a commercial yield that would not only service the debt but produce sufficient yield to finance further borrowing to support the renovation of the terraces.

The recent Spending Review was accompanied with an announcement concerning the outcome of the consultation on the Prudential Framework applicable to local authorities. This announcement has confirmed that access to PWLB loans would be removed in its entirety for any council that included new borrowing for commercial gain within its plans.

Each local authority's Section 151 Chief Finance Officer will be required to certify that the local authority has no such plans in order to access PWLB borrowing, which the consultation outcome has also confirmed will be reduced by 1% to its former beneficial rate.

The Madeira Terraces scheme is designed to achieve commercial yield. Not only will access to PWLB therefore be unavailable for the Madeira Terraces but maintaining this scheme in its current structure within the capital programme will forfeit all PWLB borrowing for the entire capital programme. This would be likely to substantially increase the cost of borrowing from other sources, even it can be found to be accessible.