

# Report of the Chief Executive on the Proposed Amendments to the Budget

## ADVICE IN RESPECT OF RESIDENTS GROUP BUDGET AMENDMENTS

The Council Procedure Rules state (Constitution, Part 4 Rules of Procedure, rule 11):

**Rule 11.8(a)**

"An amendment to a motion/report at the annual Council tax setting must be submitted to the Chief Executive no later than 6 clear days before the Council tax setting meeting, and must be such that the amendment would, if passed, in the view of the Chief Finance Officer enable a robust budget to be set".

**Rule 11.8(b)**

"Upon receipt of such amendment, the Chief Finance Officer shall consider whether it meets the "robust budget" test, and:

- (i) If it does meet the test, the Proper Officer shall include it on the agenda for the meeting.
- (ii) If it does not meet the test but the Chief Finance Officer considers that, duly altered, it will do so, that officer shall consult the proposers and, if they accept the alteration(s), the Proper Officer shall include it, as altered, on the agenda for the meeting.
- (iii) If it does not meet the test and the Chief Finance Officer considers that, whether or not altered, it will not do so, that officer shall refer the amendment to the Proper Officer who shall proceed with it as an improper amendment under Rule 11(3)(b)."

These amendments are acceptable for consideration in accordance with the Procedure Rules as stated above subject to Council having regard to the comments set out below.

The impact of the proposal would have no net overall effect on the proposed Council Tax level, as there is no net overall addition to the proposed Budget Requirement. This would therefore mean that Council Tax at Band D would remain as follows:

	£	%
Havering	1,195.18	0.00%
GLA	306.72	0.00%
<b>Total</b>	<b>1,501.90</b>	<b>0.00%</b>

If the budget amendment was agreed, the Council resolution would remain as stated in the Council papers.

On specific matters:

- (i) Special Responsibility Allowances; should the amendment be approved, Council will need to consider an amendment to the Members' Allowance Scheme that appears elsewhere on this agenda. This is to ensure that the Scheme reflects the proposals and delivers the proposed reduction.

It is important to also note the following:

- (a) The budget for the Members' Allowance Scheme is set at a level that assumes a certain level of dual roles. Where this is not the case and additional provision is required, it is met from contingency. Recent years have resulted in this being the case, although not to any material extent. The proposals therefore would probably reduce overall spend and therefore the budget, but the exact savings achieved would then depend on how each role is then filled. There would thus be some risk that a call would be needed on the contingency fund, therefore reducing the level of contingency available for other issues
  - (b) In October 2001, the Council accepted the principle of aligning Havering's Members' Allowance Scheme with the recommendations of the Independent Remuneration Panel. There followed a further review in December 2006 which the Council used to inform the current Members' Allowance Scheme. This included due regard, when setting Special Responsibility Allowances, to the bandings suggested for remuneration of positions. Any changes to the Scheme would therefore need to reflect this principle.
- (ii) Car Parking Charges in Parks ; this proposes the reversal of one savings item included within the report to Cabinet of July 2011. The savings proposal is intended to generate additional income of £40k a year – offset in the first year by costs of £20k – from the introduction of charging for parking for commuters using the Council's parks. The proposal would reverse this saving and see its removal from the budget. There will be some abortive costs, as some preparation has already been undertaken in anticipation of

the implementation of the charges, but as they are broadly independent of other parking charges, there would be no other impact.

- (iii) Christmas/New Year Parking Arrangements; under this proposal, the existing scheme of charging would be changed, with a period of free parking being allowed for the first two hours in all Council managed car parks across the borough, during the Christmas period. This would apply to the period between Christmas and New Year, as well as the two weekends immediately preceding the Christmas period. There will be some costs associated with this change, such as adaptations to ticket machines, and a provisional estimate has been made, which is reflected in the proposal, but this has yet to be verified by officers. However, this would need to be reviewed in more detail to verify the exact costs that would be incurred. There are possible implications for other car park facilities, especially in central Romford, as these are expected to be in line with those of the Council in accordance with an original S106 agreement. Otherwise, subject to verification of the costs, this proposal would increase the net overall cost of the parking function.
- (iv) Investment in roads and pavements; there are already proposals within the budget report to make a further, one-off investment, in roads and pavements, resulting from one-off gains from the New Homes Bonus and the ELWA levy. This would increase the scale of investment for 2012/13, with a small residual sum for the following year. These figures would need to be reviewed once the Christmas/New Year parking costs have been verified, and adjusted accordingly if the costs increase beyond those so far estimated.

These proposals do not affect the Council Tax level, and although the proposed amendments have degrees of risk associated with them, and further work is needed by officers on the Christmas/New Year parking proposal, the sums involved are not of great financial significance. This does mean that, should the amendment be accepted, the overall budget is unlikely to carry a higher risk than currently. The amendments themselves represent no overall net adjustment to the Council's overall budget. Members are, however, reminded of the risks, and the advice of the Chief Finance Officer on budget robustness, which are set out in the budget report.