

Motion proposed by Councillor Ron Tindall, seconded by Councillor Adrian England

LIBERAL DEMOCRAT BUDGET PROPOSAL 2020/2021

General Fund

These proposals are intended as a supplement to the council's budget and we have not proposed any cuts to existing services. We accept that there will be a council tax increase of £5.00 as there is more need for services than there is for a tax freeze. We have also taken note of the Medium Term Financial Strategy and have only proposed new services and initiatives that can be paid from existing resources and reserves in order that the financial stability of the council is not put at risk.

The following tables outline additional, one-off expenditure plans totalling £1.35m for 2020/21 with provision for a further £180k in 2021/22 for the initiatives in Table 2, subject to review at the end of the first year.

The maximum total funding requirement over the two years is £1.53m, which would be funded through the New Homes Bonus receipt of £1.78m currently proposed for the Dacorum Development Reserve. If these initiatives were implemented in full, there would be a residual contribution of £250k to the Dacorum Development Reserve in 2020/21.

Table 1, General Fund one-year expenditure initiatives:

		2020/21 £000's	2021/22 £000's
1.	Increase the Strategic Planning and Environment Budget by £100k to fund new, one-off initiatives to improve air quality, particularly around schools, evaluation on site, and investment in public Electric Charging Points.	100	0
2.	Increase the Strategic Planning and Environment Budget by £50k to fund a trial of 10 solar powered compactor litter bins across the borough, at a cost of c£5k each.	50	0
3.	In recognition of the urgency of the work, increase the Strategic Planning and Environment Budget by £100k to fund the catch-up in outstanding tree work including the assessment of sites for additional planting. It is also envisaged that this will include an overview of Development in Dacorum in order that the right number and in particular the right species of trees are planted as a contribution towards the work of reducing the Borough's carbon footprint.	100	0
4.	Addition to the Housing and Communities Budget to fund four additional Enforcement Officers for a trial period of one year.	120	0

5.	Addition to the Finance and Resources Budget to fund a comprehensive study of the present communication methods of the council including improvement of the telephone system.	100	0
6.	Increase the contribution to the Climate Change Reserve by a further £700k, over and above the £300k proposed in the Budget Report to deliver a total reserve contribution of £1m. These funds would be available to the Strategic Planning and Environment Budget to provide one-off finance for climate change measures to reduce the Council's carbon footprint, including a Community Climate Change Fund available to residents and community groups. Although the reserve contribution would be made in a single year, it is anticipated that it would fund projects over a two- to three-year period.	700	0
Sub-Total of A		1,170	0

Table 2, General Fund two-year expenditure initiatives:

		2020//21 000's	2021/22 000's
7.	Addition to the Finance and Resources Budget for a part-time fixed-term post, the holder to advise and coordinate councillors, towns and parishes to use Community Infrastructure Levy funds for the benefit of local residents in accordance with agreed local protocols. Subject to review for the second year.	50	50
8.	An addition to the Housing and Communities budget to fund community facing Sports and Leisure Projects for an initial trial two-year period. Subject to review for the second year.	50	50
9.	An addition to the budget of Clean, Safe and Green to enhance the appearance of the Borough by work on verge maintenance, graffiti removal and clearance of growth from paths. Second year subject to review.	80	80
Sub-Total of B		180	180
General Fund Total Budget Amendment		1,350	180

Housing Revenue Account

Table 3, HRA one-year expenditure initiative:

		2020//21 000's	2021/22 000's
10	<p>An addition of £1m to the Housing Revenue Account to provide for the introduction of energy saving measures on the council's housing stock.</p> <p>In order not to detract from the current new build programme or the investment in existing stock already outlined in the HRA Business Plan, this will be funded by borrowing £1m over a period of 20 years. The repayment will be made as a single amount at the end of the 20 year period.</p>	1,000	

S151 Officer Comments

General Fund

The proposed spending plans are all for a fixed term and therefore can be funded through one off funding streams without additional risk to the Council's financial sustainability in the medium-term.

The £180k required to fund the second year proposals, if progressed, would still be funded through the New Homes Bonus received in 20/21, and would need to be ring-fenced within reserves in case required in 2021/22.

Housing Revenue Account

The duration of borrowing should not exceed the life of the asset it is funding. Therefore in order to borrow £1m for this initiative over a 20-year period, the expenditure would need to meet the following criteria:

- The individual elements of expenditure would need to be in excess of £10k; and,
- The council would need to benefit from the expenditure for a period of 20 years.

Assuming that these conditions were met, and that the repayment of principal was made on maturity of the debt, the financial implications for the HRA Business Plan would be:

- Additional interest costs of c£30k per annum, which could be funded through a reduction in the annual Revenue Contribution to Capital – this would not have a material impact on the planned capital programme; and,
- A repayment of £1m in 2040/41, which at today's prices would equate to roughly £600k. This amount is low enough that a decision on whether to refinance or repay could be made nearer the time, informed by an updated HRA Business Plan.