

# **Budget Amendments**

## **Agenda item no. 10**

### **Setting the 2020/21 budget and updating the medium term financial strategy and treasury management strategy**

**Councillor Nigel Shaw Proposed Budget Amendment (1)**

**Councillor Nigel Shaw Proposed Budget Amendment (2)**

**Proposed Budget Amendment (1) –**

**Proposer: Councillor Nigel Shaw**

**Seconder: Councillor Jonathan Lester**

**Received by the monitoring officer: 13 February 2020, 8:24 p.m.**

The proposed increase in council tax is reduced by 1% to 2.9%. The annual cost of this will be approximately £1m, the new homes bonus allocated in the government settlement of £2m will fund the reduction for the next two years.

We are aware that with inflation at 1.3% asking council taxpayers to find 3.9% is seen by many as unreasonable. With an unexpectedly high new homes bonus this year there is the opportunity for the Council to be responsive to the taxpayer by reducing the council tax increase.

Until the phosphate issue was raised the new homes bonus had no expenditure planned against it. Our second amendment provides an alternative funding source for tackling the phosphate issue and in the absence of other demands we believe that there is no reason not to reduce the burden on the taxpayer by 1% .

**Proposed Budget Amendment (2) –**

**Proposer: Councillor Nigel Shaw**

**Seconder: ...**

**Received by the monitoring officer: 13 February 2020, 8:24 p.m.**

This amendment reduces the triannual pension fund valuation reserve by £800,000 and provides this revenue funding to be used by the Authority in addressing the phosphate emergency in the Lugg catchment. The revenue reserve was created as a contingency for the three yearly actuarial valuation of the Worcestershire Pension Scheme which took place in 2019, in which our Council is a participant. The actuarial report, delivered last year, has resulted in a reduction of future contributions by the employer of some £400,000 per annum, which has been allowed for in the MTFS going forward. There remains the £800,000 of earmarked reserve which can now be reallocated and our amendment channels this money to the schemes in gestation, including integrated wetlands, to tackle this issue and to allow development of homes and the economy in the Lugg catchment.