

**Public**  
**Key Decision - No**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Alternative Proposals for the Council Budget 2020/21

**Meeting/Date:** Cabinet – 23rd January 2020

**Executive Portfolio:** Executive Councillor for Resources

**Report by:** Councillor Tom Sanderson, Independent Group Leader

**Wards affected:** All

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### **Executive Summary:**

The Council is required to set an annual Budget for the forthcoming year, in order to set the Council Tax for the area and approve its Medium-Term Financial Strategy (MTFS) covering the following four years.

### **RECOMMENDED**

that Cabinet adopt the proposals.

## **1. PURPOSE OF THE REPORT**

- 1.1 To provide the Overview and Scrutiny Panel (Performance and Growth) with the detail of some alternative ideas for the draft Budget for 2020/21 from the Independent Group for the panel to consider when making its recommendations to Cabinet. All suggested savings, new investments and changes to the Band D Council Tax charge has been fully costed by the council's finance team.

## **2. PROPOSED ALTERNATIVES**

- 2.1 The current (2019/20) budget for Active Lifestyles is £177,00. We propose moving £100,000 from this budget line to the Community Chest with new governance arrangements in place to allow for greater transparency and a cross party input to allocating funding for good causes in Huntingdonshire. Clearly there would be no impact on the level of Band D Council Tax charge.
- 2.2 The total budget contribution to the Commercial Investment Reserve is £2.2m, funded by the New Homes Bonus, an increase of £738k. We propose re-allocating £900k of this funding to the following schemes:
- £600k for Housing and Homeless Shelter partnership working;
  - £100k towards the Local Highway Improvements Fund for Huntingdonshire (LHI) in partnership with the County Council. As these would be a capital schemes and not funded from reserves, funding of capital from borrowing would have a direct impact on the General Fund. For the additional provision of Minimum Revenue Provision (MRP) of £5,000 per annum. The impact on the Band D council tax would be an increase of £0.079 per annum.
  - £200k Youth Facilities Fund (for parish councils to bid for).

This would still leave £1.3m to contribute towards any future CIS funding.

### **2.3 Council Tax**

We endorse the 2020/21 draft Budget and MTFs which includes a 2.6% increase in Council Tax which would make the 2020/21 Band D Council Tax £145.86 (an increase of £3.70) which over the life of the MTFs would raise £3.92m.

## **3. COMMENTS OF OVERVIEW & SCRUTINY**

- 3.1 The Overview and Scrutiny Panel (Performance and Growth) received the Alternative Budget Proposals from the HDC Independent Group at its meeting held on 8th January 2020.
- 3.2 Regarding the proposal to transfer £100k from Active Lifestyles to the Community Chest fund, the Cabinet is requested to take into account the fact that the current Community Chest fund of £60k has not been fully allocated. Instead of increasing the Community Chest by £100k, an alternative suggestion discussed by the Panel was that the money might

be allocated to voluntary sector organisations who offer support services. However, before any decisions are taken, the Panel is of the view that the consequences of reducing the Active Lifestyles budget should be fully investigated.

- 3.3 The Panel was sympathetic to the proposal to allocate £600k for a Housing and Homeless Shelter; however, the Panel would want detailed investigations to be completed. In addition, there are active work streams already in place in this area and Members are of the view that these should be completed before consideration is given to pursuing this suggestion.
- 3.4 The Panel also recognised the potential benefits of the proposal to allocate £200k for Youth Facilities. It is, however, recognised that the funding would have to come from the New Homes Bonus, which has an uncertain future.
- 3.5 Whilst Members appreciate the number of highways improvements that are supported by the Local Highway Improvements Fund, the Panel is not convinced that adding £100k to the Fund is the best way to deliver additional improvements.

#### **4. LIST OF APPENDICES INCLUDED**

- 4.1. Appendix 1 – Summary of alternative budget proposals

#### **CONTACT MEMBER**

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### Summary of Proposals for the 2020/21 Budget

Budget Proposal	Growth/(Savings) Impact on General Fund £000	Impact on Council Tax Band D £	Comments
Diversion of half Active Lifestyles budget to the wider community via Community Chest Fund	Nil	Nil	A diversion between services with no net impact to the General Fund.
Housing and Homeless Shelter Partnership fund	Nil	Nil	This assumes that this is funded from New Homes Bonus. As this is a re-allocation of funds already included within the MTFS the impact to the General Fund will be nil.
Provide a contribution to LHI scheme	Nil	Nil	This assumes that this is funded from New Homes Bonus. As this is a re-allocation of funds already included within the MTFS the impact to the General Fund will be nil.
Youth facilities fund	Nil	Nil	This assumes that this is funded from New Homes Bonus. As this is a re-allocation of funds already included within the MTFS the impact to the General Fund will be nil.