

Durham County Council Independent Group - Budget Amendment

MTFP 9

The Council, in respect of the Cabinet's 2019/20 budget and MTFP 9 to consider:

- (a) Cease entirely the publication of the County Durham News from April 2019. This produces an annual saving of £160,000.
- (b) Reduce the staffing in the Communication and Marketing team to one press officer, two assistants and two marketing officers. This would produce a saving in 2019/20 of £672,500 and an additional saving in 2020/21 of £672,500, totalling £1,345,000.
- (c) Cease entirely the development of the new HQ and the History Centre. A total of £13.1 million of the capital cost is funded from borrowing which will result in a revenue saving of £750,000 in 2022/23. The remainder of the capital cost is being funded from the Office Accommodation Capital Reserve.

Total Revenue Savings from (a) + (b) + (c) are as follows

- (i) 2019/20 - £832,500
- (ii) 2020/21 - £672,500
- (iii) 2022/23 - £750,000

TOTAL REVENUE SAVING - £2,255,000

The revenue savings identified above to be invested as follows:

- (a) Reduce the 2.99% Council Tax increase in 2019/20 to 1.99%. The total council tax increase in 2019/20 will therefore be 3.99% once the Adult Social Care 2% precept increase is included. The lost income in 2019/20 is £2,100,000 from this proposal.
- (b) The remaining savings of £155,000 to be invested to provide an annual grant of circa £500 for village halls and community centres from 2019/20.

Total Revenue Costs from (a) + (b) are £2,255,000 in 2020/21

There will be a requirement to utilise additional Budget Support Reserve of £1,422,000 in 2019/20. The total use of the Budget Support Reserve in 2019/20 will increase from £5,487,000 to £6,909,000.

The savings in 2020/21 and 2022/23 will ensure the additional costs incurred in 2019/20 are balanced across the MTFP.

In relation to the capital budget, the savings from ceasing plans to build a new HQ and the History Centre are proposed to be invested as follows;

- (a) Total backlog maintenance for retaining HQ in its current form is estimated £37 million. A total of £10 million to be made available across the MTFP(9) period to ensure any high priority condition issues are addressed in County Hall with future backlog maintenance costs to be considered as part of future MTFP plans.
- (b) An increase in the Highways Maintenance capital budget of £5.375 million in each of the next four years, totalling £21.5 million.

The net MTFP impact of the budget proposals is set out below:

Summary of MTFP Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Savings	-832	-673	-750	0	-2,255
Investments	155	0	0	0	155
Reduced Council Tax	2,100	0	0	0	2100
Increase Use of Budget Reserve	-1,423	0	0	0	1,423
Adjustment for PYR use of Reserve	0	1,423	0	0	1,423
Change in MTFP Savings	0	750	-750	0	0
Revised MTFP Savings	0	10,321	5,497	7,425	23,243

In summary, the decisions above increase the utilisation of the Budget support Reserve by £1,423,000. Although the savings target in 2020/21 increases by £750,000, this is offset in 2021/22 ensuring that the savings shortfall over the MTFP(9) period is retained at £23,243,000.

Cllr John Shuttleworth

DCC Independent Group