

Durham County Council Liberal Democrat Group - Budget Amendment

MTFP 9

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

Savings

- (a) Councils are able to charge a 100% council tax premium on empty properties from 1 April 2019; a 200% premium on properties unoccupied for more than 5 years from 1 April 2020 and a 300% premium on properties unoccupied and unfurnished for more than 10 years from 1 April 2021. It is estimated that implementing this policy will generate £1,220,000 from April 2020 and a further £311,000 in 2021/22. Proposed changes would need to be subject to consultation and therefore the earliest implementation date is 1 April 2020 for the 100% and 200% premiums and 1 April 2021 for the 300% premium. These proposals are estimated to provide total income of £1,531,000.

Total Revenue Savings over the MTFP are as follows:

- (i) 2020/21 : £1,220,000
- (ii) 2021/22 : £ 311,000

TOTAL REVENUE SAVING : £1,531,000

Investments

- (a) There are 200 dropped kerbs on the waiting list that meet the Council's criteria. The estimated capital cost of undertaking these works is estimated at £190,000 in 2019/20. The revenue borrowing costs associated with this capital expenditure are estimated at £11,000 from 2020/21.
- (b) There are circa 200 schools that have had a risk assessment undertaken but have not yet been allocated funding for 20mph zonal work. The capital cost of undertaking the works at these schools is estimated at £3 million. Assuming the works are undertaken over a three year period, the annual capital cost is estimated at £500,000 per annum (to be match funded with £500,000 per annum from other sources). The revenue borrowing costs associated with this capital expenditure are estimated at £30,000 in 2020/21, 2020/22 and 2022/23 –totalling £90,000.
- (c) An additional capital allocation of £5,000,000 will enable the worst condition unclassified roads to be dealt with. The revenue borrowing costs associated with this capital expenditure are estimated at £289,000 from 2020/21.

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

- (i) 2020/21 : £330,000
- (ii) 2021/22 : £ 30,000
- (iii) 2022/23 : £ 30,000

TOTAL INVESTMENT: £390,000

The net MTFP changes of the budget proposals as set out is as follows:

Summary of MTFP Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Savings	0	-1,220	-311	0	-1,531
Investments	0	330	30	30	390
Change in MTFP Savings	0	-890	-281	30	-1,141
Revised MTFP Savings		8,681	5,966	7,455	22,102

In summary, in addition to the investment set out, the budget amendment will also reduce the MTFP 9 savings requirement by £1,141,000 - from £23,243,000 to £22,102,000.

Cllr Amanda Hopgood

Liberal Democrat Group