

Durham County Council Durham Independent Group

MTFP 10

Budget Amendment

The Council, in respect of the Cabinet's 2020/21 budget and MTFP 10 to consider :

Investment

The Neighbourhood Budget/Members Initiative Fund which is currently **£19,400** per member (£14,000 - Capital; & £5400 - Revenue) be increased to **£22,400**, an increase of **£3,000** per annum per member and representing an increase of 15.5%.. The split between Capital & Revenue to remain the same at 75%/25% (Revised Capital £16,800 & Revised Revenue £5,600).

This increase in members Neighbourhood Budget would permit all members to further address outstanding issues within their representative division in a fair and equitable manner.

This increase of £3,000 per member x 126 total elected members equates to a total cumulative increase of £378,000. This additional expenditure is to be funded from General Reserve in 2020/21 which currently stands at £27.2 million. The investment of £378,000 equates to a reduction in this reserve of 1.4% but ensures that the General Reserves are retained within the stipulated 5.0% - 7.5% criteria.

The investment is to continue in future years which would result in an increase in the 2021/22 savings target to £9.539 million and the overall MTFP(10) savings shortfall will increase to £32.835 million.

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

| Summary of MTFP Impact | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Investments | 378 | 0 | 0 | 0 | 378 |
| Use of General Reserve | -378 | 0 | 0 | 0 | -378 |
| Adj. for use of General Reserve | 0 | 378 | | | 378 |
| Change in MTFP Savings | 0 | 378 | 0 | 0 | 378 |
| Revised MTFP Savings | 0 | 9,539 | 4,651 | 18,645 | 32,835 |

Cllr Alan Shield

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