

Conservative Amendment to Motion A – Council Finances – Full Council 22nd November, 2023

Proposed by Cllr Tom Stowe

Seconded by Cllr David Cunningham

Motion A: Council Finances

Proposed: Councillor Mike Every

Seconded: Councillor Tony Dale

This Council notes the declining health of local council finances across England and the financial failures of eight councils since 2018 as evidenced by the issue of Section 114 notices by their Chief Finance Officers, most notably Birmingham City Council, Europe's largest local authority, which declared effective bankruptcy on 5 September 2023.

This Council notes that following the issue of Section 114 notices, the Secretary of State has appointed commissioners to the affected councils whose priority is to make decisions to bring their budgets into balance rather than to maintain services.

This Council notes its financial position including the use of £1.3 million in reserves in 2022/23 to balance its budget and its projected use of a further £0.86 million to do so in 23/24 and its establishment of a Financial Resilience Reserve for this purpose.

This Council recognises that it cannot continue to use reserves to balance its revenue budget and therefore instructs the Deputy Leader and Deputy Chief Executive to prepare a budget and Medium Term Financial Strategy that puts funds back into the Financial Resilience Reserve in 2024/25 and 2025/26 by delivering operating surpluses in those years.

It further notes the delays in the Government's Fairer Funding Review which its advisers Pixel now expect to be implemented in 2026/27 and the potential reduction of £3 million in Government funding which that review could entail for Cotswold District Council.

The Council resolves to:

1. Recognise the importance of financial prudence in delivering a balanced budget. Noting that any further funding from Government can only be paid for by the taxpayer nationally, it is important that this Council gets its "Own House In Order" before requesting further funding. Council therefore instructs officers to implement the following 7-point plan, which as a package will generate significant savings and cash-flow with no impact on service provision:-
 - 2 year freeze in Councillor's allowances.
 - 25% reduction in Councillor's special responsibility allowances.

- Cabinet to be reduced to 6 members.
- Cross-party working group set-up to review all vacant staff posts with the CEO.
- Future issues of “Cotswold News” to be scrapped.
- Budget for Social Media “promotions” to be scrapped.
- All purchases and procurement not directly related to the provision of mandatory services to be stopped.

Following this implementation, Council further resolves to then:

~~4.~~ ~~2.~~ To Write to the Secretary of State for Levelling Up, Housing and Communities including the contents of this motion and asking him for: (i) multiple year settlements for local councils to give them a more sound base on which to plan their finances; (ii) an overall real terms funding increase for councils in 2024/25 and beyond to prevent further councils declaring effective bankruptcy and enabling them to arrest, if not reverse, the decline in their services; and (iii) a commitment that the implementation of the Fairer Funding Review will not see councils facing reductions in their Government funding.

~~2.~~ ~~3.~~ Request that a copy of this letter be sent to the Member of Parliament for the Cotswolds and the Local Government Association.