

BROMSGROVE ALLIANCE – ALTERNATIVE BUDGET 2020-2024

The main figures in bold represent changes to the cabinet proposed budget. The calculated totals now include these revised figures.

In addition to this proposed budget the group would also implement, subject to a detailed review, a cost neutral electric car pool scheme for staff.

Each change will now be explained:

- 1) Incremental progression and inflation: This figure has been reduced for 2023/2024 from £456000 to £290000. It is considered that a year on year increase of 70% is excessive and even taking a cautious approach 8% is more than enough.
- 2) Unavoidable pressures: The plan review is forecast to cost around £630,000 over three years. History suggests that this is an overly ambitious target. In addition with uncertainty over the status of the Foxlydiate housing number allocation, no idea of cross border housing requirement and no indication of how much employment land we will allocate. It seems we have no idea of what it is we are planning for. We would therefore advocate extending this plan review cost over the more realistic period of 5 years.

This saves some £84,000 p.a. over the first 3 years. In addition we consider that the use of outside consultants to advise on highways matters has run its course and ceases to be useful. We therefore propose to reduce this spend to £75,000 in 2020/21 and £25,000 in 2021/22 and zero thereafter. Hence, this line reflects these yearly changes.

- 3) New revenue bids etc. The increase shown here reflects the provision of three shopper/shuttle minibuses. The estimated revenue running cost is £32,000 per bus. Three routes would be; a station to town centre continuous shuttle bus. A Wythall, Hillcrest, Beoley, Rowney Green, Alvechurch, Barnt Green, Blackwell, Bromsgrove circular route; and a Hagley, Clent, Holy Cross, Belbroughton, Dodford, Bournheath, Bromsgrove circular route.

All connecting outlying communities to the town centre. Reducing car use, isolation and helping regenerate the town centre.

To further up the profile of Bromsgrove it is suggested that £15,000 p.a. is spent promoting and supporting the three fine museums the district has in order to increase tourism to the town.

The final additional cost to this section is £57,000 p.a. to enable free swimming to be offered to all young people under the age of 18. Promoting health and wellbeing.

We would also capitalise the £30,000 earmarked for market improvements.

- 4) Saving and additional income: Here we see the bus revenue from ticket sales. This has modestly been predicted as £36,000 in the first year then £51,000, £61,000 in 2022/2023 and reaching £78,000 in 2023/2024.
- 5) Having studied the actuarial calculations we see no requirement for a £200,000 pension reserve. The savings suggested on the pension deficit are realistic and cautious as they stand.
- 6) We see no reason as to why the estimated increase in council tax for 2023/2024 should not mirror that predicted for the previous year. Hence a modest rise of £25,000 to this figure.
- 7) Interest payable is increased to reflect the 3 minibus purchase cost of £120,000 over 10 years. Say 3% of £60,000. £2,000 p.a.
- 8) MRP goes up £12,000 to cover the above capital.
- 9) We would be surprised if a similar discount was not applicable for early pension payment in 2023/2024 as was offered in 2020/2021. An increase of £31,000.

The above provides a more balanced budget for the period and an overall deficit reduction from £1,842,000 to £1,624,000. Whilst still more needs to be done on achieving the promised savings in the efficiency plan the above shows an improved position of £218,000 over the 4 year period. At the same improving local connectivity with a comprehensive minibus scheme, support for tourism through the museum fund and free swimming for young people.

Furthermore, we would like to introduce a staff electric car pool. Currently, BDC spend £63,000 on staff mileage charges per year. Representing 140,000 miles approximately. It is suggested that it is inevitable that some mileage will need to be paid, an estimate of £8,000 is used. Hence, available to cover the running cost of electric vehicles is some £55,000. 13 electric cars can be purchased for £325,000 with a 5 year warranty. 5 year resale £91,000. Borrowing £234,000 at an MRP of £46800 and interest £4000. Each car would cover approximately 9000 miles per year. Charging cost is approximately £4000.

Summary:

Current spend. p.a. £63000

Inevitable mileage	£8,000
Purchase costs	£51,000
Charging costs	£4,000
Total cost p.a.	£63,000

Therefore cost neutral.

And a greener environmentally friendly Council.