

North Tyneside Council Report to Cabinet Date: 9 September 2013

ITEM 6(d)

Title: 2013/14 in Year Budget
Changes to the General Fund
Budget

Portfolio(s): Elected Mayor
Finance

Cabinet Member(s): Mrs Norma
Redfearn
Councillor Ray
Glindon

Report from Directorate: Senior Leadership Team

Report Author: Fiona Rooney, Strategic Director of Finance and Resources (Tel: (0191) 6435724)

Wards affected: All

PART 1

1.1 Purpose:

1.1.1 The purpose of this report is to seek Cabinet's approval to the proposed in-year budget changes that have arisen following a review of the General Fund budget envelope for 2013/14.

1.2 Recommendation(s):

1.2.1 It is recommended that Cabinet:

- (a) Approves the proposed in-year budget changes for 2013/14 as set down in Table x of this report; and,
- (b) Requests Finance Sub-committee to monitor these changes as an integral part of the regular financial management reporting already undertaken.

1.3 Forward Plan:

1.3.1 The review concluded within timeframes that did not allow for inclusion in the Forward Plan published on 24 July 2013. It is important for the Authority to be able to monitor its budget plans accurately, so it was felt appropriate to present this report at the first available Cabinet meeting following completion of the review.

1.4 Council Plan and Policy Framework

- 1.4.1 The proposals in this report fall under the Authority's Constitution: Budget and Policy Framework Procedure Rules, Section 8.5 "In-year changes to the budget and changes to the approved plans and strategies in the policy framework."
- 1.4.2 The General Fund revenue budget envelope supports delivery of all aspects of the Council Plan.

1.5 Information:

- 1.5.1 In May 2013, the Elected Mayor and Cabinet requested a review of the details within the General Fund budget envelope, with a particular view to the Change, Efficiency and Improvement Programme for 2013/14 to ensure the projects aligned to the newly agreed Council Plan priorities approved by Cabinet on 24 June 2013. The review did not consider any change to the overall budget envelope as agreed by Council on 5 March 2013.
- 1.5.2 Table 1 below summarises the proposed changes and demonstrates that the budget would remain balanced in accordance with the provisions of the Local Government Act 1992.

Table 1: Summary of Proposed In-year Changes to the 2013/14 General Fund Budget

Directorate	Change £ (+)	Change £ (-)
Children, Young People & Learning	243,406	-
Community Services	130,000	130,000
Chief Executive's Office	5,000	10,000
Finance and Resources	-	-
Corporate Accounting*	-	238,406
Totals	378,406	378,406

*To be replaced by CYPL portfolio permanent efficiencies.

Children Young People and Learning (CYPL)

Charges for Meals on Wheels

- 1.5.3 An in-year policy change is proposed which is to minimise the amount of increase to the price of meals on wheels in 2013/14 to an inflation level only of 2.5%.
- 1.5.4 This policy change would result in reduced income of £8,406 in 2013/14, with a full year reduction in income of £14,410 in 2014/15.

Review of Non-Schools buildings education estate usage, to look at developing an integrated health and wellbeing officer for children and families

- 1.5.5 The in-year policy change to delay the implementation of elements of this CEI project would result in an additional budget being required of £230,000 in 2013/14, which represents a full year effect.

Young Mayor's Budget

- 1.5.6 The in-year policy change would restore the Young Mayor's budget to the 2012/13 budget level, an increase this year of £5,000.

How the changes will be funded

- 1.5.7 The above proposed changes total £243,406. The Elected Mayor has agreed to reduce her salary and apply £5,000 to replenish the Young Mayor's budget to support the Young Mayor in their engagement activities in the borough. The balance of £238,406 will be found from within the CYPL portfolio. The Cabinet Member for CYPL and the senior management team of the CYPL Directorate are drawing up proposals to support these budget changes and this will be reported through to the next round of budget monitoring to Cabinet and Finance Sub-committee in November 2013. Until that time, the budget is balanced by reference to the unallocated part of the Contingencies Budget as reported in the most recent budget monitoring report to be presented to this Cabinet meeting.

Community Services

Rolling review of Library Provision following the opening of new facilities

- 1.5.8 The Elected Mayor has asked for further work to be undertaken to consider library provision in light of the new facilities now open. Cabinet will consider this in due course. The financial cost associated with this change is £130,000, with a full year effect in 2014/15 of £200,000.
- 1.5.9 The Directorate has reviewed, with the relevant Cabinet Members, other opportunities to replace this efficiency target in-year. The proposal is to release the contingency budget that was set aside in relation to the Whitley Bay Customer First Centre, which is no longer required and thus is a permanent efficiency to the Cultural budget portfolio.

Chief Executive's Office

Elected Mayor's Remuneration

- 1.5.10 The Elected Mayor has requested that her salary is reduced by £10,000 this year, and the saving from this is used to increase the Young Mayor's budget by £5,000, and to provide a new budget of £5,000 to support the Elected Mayor's engagement with Older People.

Overall Position for General Fund In-Year Changes 2013/14

- 1.5.11 The net effect of the above in-year changes would increase general fund expenditure by +£378,406 which will be offset by equivalent savings of -£378,406. This will leave the General Fund revenue budget in a balanced position i.e. no change to the budget envelope agreed by Council on 5 March 2013 and the budget remains financed in accordance with the provisions of the Local Government Act 1992.

1.6 Decision options:

- 1.6.1 Cabinet can agree to the in-year budget changes to reflect consultation with Cabinet Members and so that the General Fund budget aligns to the Council Plan priorities. This would ensure budget monitoring reflects the changes proposed.
- 1.6.2 Alternatively, Cabinet can decide not to agree the in-year budget changes which would impact the accuracy of reporting budget monitoring for the remainder of the year.

1.7 Reasons for recommended option:

- 1.7.1 The reasons for the recommended option is to ensure transparency and clarity of the how the budget envelope is to be spent in-year and to reflect the financial implications of the policy changes proposed in this report.

1.8 Appendices:

- 1.8.1 There are no appendices for this report.

1.9 Contact officers:

Janice Gillespie, Finance Service
Tel No 643 5701

Geoff Huzzard, Finance Service
Tel No 643 5716

1.10 Background information:

- 1.10.1 The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (a) [North Tyneside Council Constitution, including Budget and Policy Framework Rules](#)
- (b) [2013/14 General Fund Budget](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

- 2.1.1 The financial implications arising from the proposed in-year policy changes have been assessed as part of this report.
- 2.1.2 In relation to Reserves and balances, the in-year proposed changes do not change the level of Un-earmarked General Fund balances which remain at £6.5m. It is not proposed the Contingency Budget is moved to balance the CYPL portfolio, but that the amount indicated is earmarked until such time as alternative options have been proposed to replace the CEI saving that has been amended in paragraph 1.5.5 above.

2.2 Legal

- 2.2.1 The Local Government Finance Act 1992 requires the Authority to set a balanced budget in the context of the resources available, including central government grants, business rates and council tax income.

2.3 Consultation/community engagement

2.3.1 Internal consultation

Consultation has been carried out with the Elected Mayor, the Cabinet Member for Finance and Resources and other relevant Cabinet Members, the Chief Executive and the Senior Leadership Team.

2.3.2 External consultation/ engagement

The proposed changes reflect the outcomes of the Elected Mayor's engagement during the Mayoral Election.

2.4 Human rights

2.4.1 There are no human rights implications caused by the proposed changes to the budget.

2.5 Equalities and diversity

2.5.1 In undertaking the process for the Budget the Council's aim will at all times be to secure compliance with its responsibilities under the Equality Act 2010 and in particular the public sector equality duty under that Act.

2.6 Risk management

2.6.1 Individual projects within the Budget are subject to full risk reviews. For larger projects, individual project risk registers are established as part of the Council's agreed approach to project management. Risks are being entered into the appropriate Directorate or Corporate / Strategic Risk Register(s) and are subject to ongoing management to reduce the likelihood and impact of each risk.

2.7 Crime and disorder

2.7.1 The individual proposals within this report do not themselves have direct implications for crime and disorder.

2.8 Environment and sustainability

2.8.1 The proposals within this report do not themselves have direct implications in relation to the environment and sustainability.

PART 3 - SIGN OFF

- Chief Executive X
- Strategic Director(s) X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Manager, Policy,
Partnership, Performance
And Communication X