

# North Tyneside Council Report to Council Date: 21 February 2012

Title: 2012-2015 Council  
Strategic Plan and Budget  
Process: Liberal Democrat  
Group Notice of Objection

Report of: The Liberal Democrat Group

Wards affected: ALL

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## Liberal Democrat Group Notice of Objection for the 2012/13 General Fund Revenue Budget, the proposed Council Tax Level for 2012/13, the Capital Plan for 2012-2022, the Treasury Management Statement and Annual Investment Strategy for 2012/13 and the 2012-2015 Council Strategic Plan

### Save Our Leisure Services

#### 1.0 Introduction

The Liberal Democrat Group have submitted objections to the Elected Mayor's budget that will ensure that the Council gets back to basics by concentrating on delivering essential services and getting rid of the spin and propaganda.

The Liberal Democrat Group has again encountered considerable difficulty in obtaining the detailed information for the preparation of our budget objections. The quality and timeliness of information was totally unacceptable. The quality of responses was totally below the standard of a professional organisation with a multi million pound turnover.

The Liberal Democrat Group believe that now is the time for all parties to work together for the benefit of residents of North Tyneside. The Liberal Democrat budget will ensure financial stability is restored. This will allow for the Council to be more pro-active in future years.

#### Leisure trust

We are totally opposed to the creation of the leisure trust and have submitted alternative savings to enable these services to remain in Council control.

We believe the business plans for the leisure trust are weak and unclear and do not, in our opinion, stand up to challenge and scrutiny.

North Tyneside has excellent sports facilities and those running them must be accountable to north Tyneside residents and their elected representatives

#### 2.0 Liberal Democrat Group Resolution: Setting the Council Tax 2012/13

##### 2012/13 Council Tax Requirement Resolution

2.1 The Liberal Democrat Group recommends that:

- The recommended budgets of the Council by Directorate, as set down in Appendices E(i) to I(ii) of this report to Council, together with the associated Council Strategic Plan set down at Appendix A, be approved as noted below subject to the variations listed in paragraphs 2 and 3 below and notes the estimated allocation of £133.423m in Dedicated Schools Grant for 2012/13:

<b>Directorate</b>	£
Children, Young People and Learning	26,434,372
Chief Executive's Office	17,237,198
Community Services	82,097,372
Finance and Resources	13,399,355
Corporate	14,993,621
<b>Total</b>	<b>154,161,918</b>

- The following levies be included in the net budget requirement:

	£
Tyne & Wear Integrated Transport Authority	12,447,406
Tyne Port Health Authority	58,121
Environment Agency	163,152
Northumberland Inshore Fisheries and Conservation Authority	128,597
<b>Total</b>	<b>12,797,276</b>

- The contingency provision be set as follows:

	£
Contingency Provision	2,990,000
<b>Total</b>	<b>2,990,000</b>

- The following individual objections are proposed to be incorporated within the Council's Budget.

## **Growth**

<b>Item</b>	<b>£</b>
	<b><u>Community Services</u></b>
1.	Delete 'Establish Community Based Trust'
	250,000
	<b>Total Community Services</b>
	<b>250,000</b>
	<b>If All Objections are accepted the Total Growth will be</b>
	<b>250,000</b>

## **Savings**

Item		£
	<b>Community Services</b>	
2.	Delete Head of Cultural and Customer Services	-11,000
3.	Reduce Cultural Services Events Team	-26,000
	<b>Corporate</b>	
4.	Terminate contract for Interim Chief Executive from 1 April 2012	-178,000
5.	Reduce third party payment expenditure	-10,000
6.	Reduction in contingency provision related to CEI Programme changes	-25,000
	<b>If All Objections are accepted the Total Savings will be</b>	<b>-250,000</b>

5. Note that at its meeting held on 26 January 2012 the Council calculated the Council Tax Base for 2012/13 for the whole Council area as 64,219 (Item T in the Formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")).
6. Agree that the Council Tax requirement for the Council's own purposes for 2012/13 is £85,286,685, as set out below.

#### **2012/13 Council Tax Requirement for North Tyneside Council**

	£	£
2012/13 Budget Requirement		169,974,194
Financed by:		
Redistributed Business Rates	(83,044,319)	
Revenue Support Grant	(1,609,794)	
Collection Fund Surplus	<u>(33,396)</u>	<u>(84,687,509)</u>
<b>Council Tax Requirement</b>		<b>85,286,685</b>

7. Agrees that the following amounts now calculated by the Council for the year 2012/13 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended (the Act):
  - (a) £370,811,577 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
  - (b) £285,524,892 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £85,286,685 Being the amount by which the aggregate at 7(a) above exceeds the aggregate at 7(b) above,

calculated by the Council in accordance with Section 31(A)(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).

- (d) £1,328.06 Being the amount at 7(c) above (Item R), all divided by Item T (5 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

(e) North Tyneside Council Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
885.37	1,032.94	1,180.50	1,328.06	1,623.18	1,918.31	2,213.43	2,656.12

being the amounts given by multiplying the amount at 7(e) above by the number which, in the proportion set out in Section 5(1) of the Act 1992, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(f) Northumbria Police Authority Valuation Bands

Note that for the year 2012/13 the Northumbria Police Authority have issued the following amounts in precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Council's area as indicated below:

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
55.79	65.08	74.38	83.68	102.28	120.87	139.47	167.36

(g) Tyne & Wear Fire and Rescue Authority Valuation Bands

Note that for the year 2012/13 the Tyne and Wear Fire and Rescue Authority have issued the following amounts in precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Council's area as indicated below:

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
48.77	56.90	65.03	73.16	89.42	105.68	121.93	146.32

(h) Total Valuation Bands

That, having calculated the aggregate in each case of the amounts at 7(e), 7(f) and 7(g) above, the Council, in accordance with Sections 30

and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2012/13 for each part of its area and for each of the categories of dwellings shown below:

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
989.93	1,154.92	1,319.91	1,484.90	1,814.88	2,144.86	2,474.83	2,969.80

8. The Council's basic amount of council tax for 2012/13 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.
9. The Council's Financial Regulations will apply to the financial management of this budget.
10. A sum of £2.785m continues to be set aside in the budget to accommodate a number of events that may arise during 2012/13 but that cannot be quantified to such an exact degree as to be allocated directly into the Council's main budget headings, and to reflect the high level of efficiency savings built into the 2012/13 Budget. It is proposed that the £2.785m General Contingency is set aside in 2012/13 for the following items:
  - (a) general inflation;
  - (b) demand-led pressures; and,
  - (c) CEI Programme.

This contingency provision may be needed to cover any material change in inflation.

Demand-led pressures will include adult social care services and children's services where the Council has a statutory responsibility to respond.

The Contingency will also be available to cover the CEI Programme and the savings required in 2012/13. This is to reflect the possibility that some savings, for unforeseen or external factors, may not be deliverable in the original planned timescale. Where original proposals become unachievable, alternative proposals must be substituted as soon as practical after the issues are raised through the performance monitoring process of the Council and be reported through to Cabinet.

An additional £0.230m is proposed to be added to contingencies in respect of the grant awarded to support the roll out of free education places for disadvantaged 0-2 year olds. This is included as a specific contingency as detailed plans for the use of this funding are still to be developed. This brings the total level of contingency in 2012/13 to £3.015m.

A net reduction to the Contingency Provision of £0.025m is proposed to allow for changes to the CEI programme.

It is proposed that virement levels and approvals for virement shall be in accordance with the rules set down in the Council's Financial Regulations in force at the time.

11. The Reserves and Balances Policy attached as Appendix C is adopted as set down and is subject to review at least annually.
12. The Strategic Director of Finance and Resources, in consultation with the Elected Mayor, Cabinet Member for Finance and the Senior Leadership Team is delegated to manage the overall Change, Efficiency and Improvement Programme and note that decisions made under this delegated authority will be reported to Cabinet as part of the regular budget monitoring information provided;
13. The Local Prudential Code for unsupported borrowing for 2012-2022 attached as Appendix K is adopted as set down and is reviewed annually as part of the service and spending review process.
14. The Elected Mayor in consultation with the Major Projects Group, be authorised to keep under review the proposed Reserve List of Schemes, within the 2012-2022 Capital Plan.
15. The Strategic Director of Finance and Resources, in consultation with the Elected Mayor, Cabinet Member for Finance and the Head of Legal, Governance and Commercial Services are authorised to deal with all matters arising in relation to the treatment of pensions and any associated matters relating to the potential transfers of Council employees to the Business Package, the Technical Package and the Community Based Trust projects of the Change, Efficiency and Improvement Programme;
16. The chief finance officer be authorised to serve notices, enter into agreements, give receipts, make adjustments, institute proceedings and take any action available to the Council to collect or enforce the collection of non-domestic rate and Council Tax from those persons liable.
17. The chief finance officer be authorised to disburse monies from funds and accounts of the Council as required for the lawful discharge of the Council's functions.
18. Agree that the Northumbria Police Authority and the Tyne and Wear Fire and Rescue Authority receive payment from the Collection Fund in 12 equal instalments on the last working day of each month.
19. Payments from the Collection Fund to be made to the Council's General Fund in 12 equal instalments on the last working day of each month.

### **3.0 CAPITAL PLAN 2012/13 – 2021/22**

- 3.1 The Liberal Democrat Group recommends that the following amendments be incorporated within the 2012/13 – 2021/22 Capital Plan:

NONE

## **Council Strategic Plan Changes:**

The following paragraphs included in the 2012-2015 Council Strategic Plan are to be removed:

### **What our residents have told us, Page 135, Council 2 February 2012**

“in general, people are in favour of moving forward with a Community Based Trust, although there were some concerns to be addressed on any proposed closures. “

### **Priority 7, Page150, Council 2 February 2012**

**Making change happen, improving customer service and facing up to our financial challenges** – we must set a new direction to live within reduced financial resources and make our taxpayers’ money go as far as it can to create a sustainable future. This will mean providing public services in a very different way - with fewer services being directly delivered by the council and more delivered in partnership with others as well as people taking more responsibility themselves. This priority is also about interacting with our customers in a more efficient and positive way and make it easier to access council’s services.

“We will explore new ways of partnership working by exploring opportunities of developing a Community Based Trust that will protect and deliver sustainable services that are tax efficient and commercially agile, while engaging community and business expertise to help improve services.”