

# North Tyneside Council Report to Council Date: 19 February 2015

<p><b>Title: 2015-2018 Financial Planning and Budget Process: Liberal Democrat Group Notice of Objection</b></p>
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Report of:                                    **The Liberal Democrat Group**

Wards affected:                           **ALL**

## **Liberal Democrat Group Notice of Objection for the 2015/16 General Fund Revenue Budget, the proposed Council Tax Level for 2015/16, the Investment Plan for 2015-2019 and the Treasury Management Statement and Annual Investment Strategy for 2015/16**

### **1.0 Introduction**

The Liberal Democrat Group has submitted objections to the Elected Mayor's budget to aim to ensure that the Authority concentrates on protecting services. We reaffirm our belief that the Council needs to prioritise, cut out waste and especially protect services for Children, the Elderly and other vulnerable residents.

We oppose the Labour Group's stealth taxes which increase most charges above the rate of inflation e.g. increased charges to 'The Waves Leisure Centre' by approx. 15% which affects both Tourism and quality of life for North Tyneside's residents. Their policy of continuing to freeze Council Tax means there is over £1m less available, which means more job cuts, which after the previous years cuts in back office staff will now impact on services to North Tyneside residents including those vulnerable residents who rely on the Council to provide services essential to them to maintain their quality of life.

We continue to have serious concerns with regard to the Council's decision to increase Members Allowances at a time when the Local Authority is losing jobs and ask for this decision to be reviewed.

The Liberal Democrat Group does not see a tangible benefit to the people of North Tyneside by continuing to freeze Council Tax when a small increase in Council Tax may well help to protect service delivery. Thus creating more funds to save jobs and maintain services.

We again call for all parties to work together for the benefit of North Tyneside's residents and once again call for an all party group to monitor the budget especially areas of high risk. It is essential to have strict budgetary control to maintain financial stability.

This budget therefore proposes a very small increase of 1.79% (Council element only) and an increase of 1.81% (including precepts).

### **2.0 Liberal Democrat Group Resolution: Setting the Council Tax 2015/16**

#### **2015/16 Council Tax Requirement Resolution**

## 2.1 The Liberal Democrat Group recommends that:

1. The recommended budgets of the Authority, be approved as noted below subject to the variations listed in paragraphs 2 and 3 below and notes the estimated allocation of £137.823m in Dedicated Schools Grant, for 2015/16:

	£
General Fund Revenue Budget	142,951,563
Total	<u>142,951,563</u>

2. The following levies be included in the net budget requirement:

	£
The Tyne and Wear element of the Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority Transport Levy	12,199,080
Tyne Port Health Authority	46,072
Environment Agency	179,349
Northumberland Inshore Fisheries and Conservation Authority	131,169
Total	<u>12,555,670</u>

3. The contingency provision be set as follows:

	£
Contingency Provision	1,250,000
Total	<u>1,250,000</u>

4. The following individual objections are proposed to be incorporated within the Authority's Budget.

**Growth**

Item		£
	<b><u>Corporate</u></b>	
1.	Loss of 2015/16 Council Tax Freeze Grant	870,000
2.	Revenue effect of capital plan proposals	20,000
	<b>Total Corporate</b>	<b>890,000</b>
	<b><u>Cared for, Safeguarded and Healthy</u></b>	
3.	Increase the budget for Adaptations/Adult Social Care	100,000
	<b>Total Cared for, Safeguarded and Healthy</b>	<b>100,000</b>
	<b><u>Great Place to Live, Work and Visit</u></b>	
4.	Reduce the Business and Enterprise saving in relation	20,000

	to Town Centre Development (Events) (GP01)	
	<b>Total Great Place to Live, Work and Visit</b>	<b>20,000</b>
	<b><u>Enabling</u></b>	
5.	Commercial Activity - Reduce the additional income generation through Sport and Leisure to £58,000 (EN02)	100,000
6.	Commercial Activity – Reduce the additional income generation through the Bereavement Service to £28,000 (EN02)	181,000
7.	Commercial Activity – Reduce the additional income generation through increased car parking charges to £30,000 (EN02)	200,000
8.	Reduce the 2015/16 increase in income from catering services, including the inflationary increase in the price of school meals and meals on wheels (EN02)	197,198
	<b>Total Enabling</b>	<b>678,198</b>
	<b>If All Objections are accepted the Total Growth will be</b>	<b>1,688,198</b>

### **Savings**

<b>Item</b>		
	<b><u>Corporate</u></b>	
	Remove contribution to Strategic Reserve	(347,000)
	<b>Total Corporate</b>	<b>(347,000)</b>
	<b>If All Objections are accepted the Total Savings will be</b>	<b>(347,000)</b>

5. Note that at its meeting held on 28 January 2015 Cabinet agreed the Council Tax Base for 2015/16 for the whole Authority area as 56,424 (Item T) in the Formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
6. Agree that the Council Tax requirement for the Authority’s own purposes for 2015/16 is £76,274,527, as set out below.

### **2015/16 Council Tax Requirement for North Tyneside Council**

	£	£
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2015/16 Budget Requirement		158,098,431
Financed by:		
Revenue Support Grant	(39,832,036)	
Retained Business Rates	(26,410,771)	
Business Rates Top Up	(15,543,934)	
Council Tax Collection Fund Surplus	(37,163)	(81,823,904)
<b>Council Tax Requirement</b>		<b>76,274,527</b>

Agrees that the following amounts now calculated by the Authority for the year 2015/16 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended (the Act):

- (a) £364,128,231 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(2) of the Act.
- (b) £287,853,704 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(3) of the Act.
- (c) £76,274,527 Being the amount by which the aggregate at 6(a) above exceeds the aggregate at 6(b) above, calculated by the Authority 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) £1,351.81 Being the amount at 6(c) above (Item R), all divided by Item T (4 above), calculated by the Authority, 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

Council Tax Band	£
A	901.21
B	1,051.41
C	1,201.61
D	1,351.81
E	1,652.21
F	1,952.61
G	2,253.02
H	2,703.62

being the amounts given by multiplying the amount at 6(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 Authority, 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) Police and Crime Commissioner for Northumbria Valuation Bands

Note that for the year 2015/16 the Police and Crime Commissioner for Northumbria have issued the following amounts in precepts to the Authority, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Authority's area as indicated below:

Council Tax Band	£
A	58.89
B	68.70
C	78.52
D	88.33
E	107.96
F	127.59
G	147.22
H	176.66

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

Note that for the year 2015/16 the Tyne and Wear Fire and Rescue Authority have issued the following amounts in precepts to the Authority, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Authority's area as indicated below:

Council Tax Band	£
A	49.75
B	58.04
C	66.33
D	74.62
E	91.20
F	107.78
G	124.37
H	149.24

(h) Total Valuation Bands

That, having calculated the aggregate in each case of the amounts at 6(e), 6(f) and 6(g) above, the Authority, 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 2015/16 for each part of its area and for each of the categories of dwellings shown below:

Council	

Tax Band	£
A	1,009.85
B	1,178.15
C	1,346.46
D	1,514.76
E	1,851.37
F	2,187.98
G	2,524.61
H	3,029.52

7. The Authority's basic amount of council tax for 2015/16 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.
8. The Authority's Financial Regulations will apply to the financial management of this budget.
9. The general Contingency Budget for 2014/15 was £1.955m. Taken with the 2015/16 pay award of £0.917m, this means that £2.872m has been permanently allocated into service base budgets. These budget proposals set the Contingency base budget at £1.250m to reflect ongoing demand led pressures for Corporate Parenting and provision for potential other pressures.
10. It is proposed that virement levels and approvals for virement shall be in accordance with the rules set down in the Authority's Financial Regulations in force at the time.
11. The Reserves and Balances Policy as set out in the report to full Council on 5 February 2015, is adopted as set down and is subject to review at least annually.
12. The Chief Executive, in consultation with the Elected Mayor, Deputy Mayor, Cabinet Member for Finance and Resources and the Senior Leadership Team is authorised to manage the overall Creating a Brighter Future Programme and note that decisions made under this authorisation will be reported to Cabinet as part of the regular budget monitoring information provided.
13. The Chief Executive, in consultation with the Elected Mayor, Deputy Mayor, Cabinet Member for Finance and Resources and the Senior Leadership Team to manage the overall Creating a Brighter Future Programme and note that decisions made under this delegated authority will be reported to Cabinet as part of the regular budget monitoring information provided.
14. The Chief Executive (as Chief Finance Officer) be authorised to serve notices, enter into agreements, give receipts, make adjustments, institute proceedings and take any action available to the Authority to collect or enforce the collection of non-domestic rate and Council Tax from those persons liable.
15. The Chief Executive (as Chief Finance Officer) be authorised to disburse monies from funds and accounts of the Authority as required for the lawful discharge of the Authority's functions.

16. Agree that the Police and Crime Commissioner for Northumbria 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.
17. Payments from the Collection Fund to be made to the Authority's General Fund in 12 equal instalments on the last working day of each month.

### **3.0 INVESTMENT PLAN 2015-2019**

- 3.1 The Liberal Democrat Group recommends that the following amendments be incorporated within the 2015-2019 Investment Plan:

<b>Additional Growth:</b>	£
1.Rolling programme for maintenance of roads, pavements and back lanes:	
Road repairs £500,000 per year	2,000,000
Pavement repairs £250,000 per year	1,000,000
Back Lane repairs £250,000 per year	<u>1,000,000</u>
 <b>Total Additional Growth</b>	 <u><b>4,000,000</b></u>

The Investment Plan for 2015-2019 including these changes is attached as **Appendix A(i)**.

### **3.2 Draft Prudential Indicators**

The indicators have been amended to reflect the changes to the Investment Plan set out in section 3.1 above and the revenue impact of the changes.

Appendix A(ii) sets down the draft Prudential Indicators as calculated and proposed for North Tyneside Council for 2015–2019.