

Report to Executive

Agenda
Item:

A.1(B)(3)

Meeting Date: 17 February 2014
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Considered under general exception
 Within Policy and Budget Framework YES
 Public / Private Public

Title: CONSIDERATION OF BUDGET AMENDMENTS 2014/15
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD86/13

Purpose / Summary:

This report seeks to assist the Executive to respond to the proposed budget amendments carried by Council on 4 February 2014. Executive are asked to reconsider their budget proposals in light of these amendments and respond with their considerations at Council on 20 February 2014.

Recommendations:

The Executive is requested to consider the proposed budget amendments carried by Council on 4 February and make recommendation to Council on 20 February 2014 in regards to the following:

- (i) Acceptance of the Government's Council Tax Freeze Grant for 2014/15 and 2015/16, in conjunction with noting the recurring nature of previous years freeze grants, and to approve a zero increase to the City Council's share of Council Tax for 2014/15 (two proposed amendments);
- (ii) Provide funding to support staff well-being initiatives of £3,000 per annum funded from the freezing of Members' allowances in 2014/15.

Tracking

| | |
|------------|-------------------------|
| Executive: | 17 February 2014 |
| Council: | 20 February 2014 |

1. INTRODUCTION

The Executive budget proposals for 2014/15 to 2018/19 were approved by the Executive at its meeting of 15 January for consideration at full Council at its meeting on 4 February.

At its meeting on 4 February, the Council debated several amendments to the budget proposals and carried budget amendments in respect of:

- Council Tax and Council tax Freeze Grant
- Members' Allowances

Although subsequently withdrawn, Members also noted that a proposal on the refurbishment of war memorials would be taken on board by the Executive and that a report be presented to a future meeting on how the proposal could be funded.

Members should also note that since the Council meeting, the Government has confirmed the final RSG figures with only a minimal change to the draft figures received in December. All other specific grants have been confirmed and the outstanding Parish Precepts have been received. There are no changes required to the figures as originally presented as a result of these notifications.

The Government has reviewed the capping level for Council Tax increases that would invoke a local referendum; this has been confirmed at 2%.

2. COUNCIL TAX AND COUNCIL TAX FREEZE GRANT (two proposed amendments)

The DCLG wrote to all Councils on 15 January outlining the Council Tax Freeze Scheme for 2014/15 and provided some clarification as to the grants awarded for freezing council tax in 2011/12 and 2013/14.

The DCLG confirmed that 'Funding for 2011/12 and 2013/14 freeze grants is now in the local government settlement total for future years' and this, therefore, confirms the recurring nature of the grants.

With regard to the 2014/15 council tax freeze, the government has again offered a grant to freeze council tax in 2014/15 equivalent to 1% which will be payable in 2014/15 and 2015/16. For the Council this equates to £68,000 per annum. However, in line with the announcement regarding the 2011/12 and 2013/14 freeze grants, indications are that after 2015/16, this funding will be added into the overall local government settlement figures (RSG) and will be recurring in nature. The letter states 'This gives as much certainty as possible at this stage that the extra funding for freezing council tax will remain available.'

The table below shows the implications of the DCLG's announcement on the revenue budget. A 0% increase in the City Council's share of Council Tax for 2014/15 is recommended.

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | TOTAL |
|--|-----------|------------|--------------|--------------|--------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Additional Net Cost of Council Tax Freeze for 2014/15 | 51 | 54 | 57 | 59 | 62 | 283 |
| Additional Net Cost of Council Tax Freeze for 2015/16 | 0 | 51 | 54 | 58 | 60 | 223 |
| Additional Income from 2011/12 & 2013/14 Freeze grants | 0 | 0 | (235) | (235) | (235) | (705) |
| Net Additional Income | 51 | 105 | (124) | (118) | (113) | (199) |

3. MEMBERS' ALLOWANCES

The saving of £3,000 per annum, generated from freezing Members' allowances in 2014/15, is to provide additional funding to support staff well-being initiatives for example, healthy living schemes. For 2014/15 the proposal is to top up existing Organisational Development budgets and utilise the funding to improve staff facilities within the Civic centre and the Bothy at Bousteads Grassing. **This amendment has no impact on the total revenue budget and no impact on the level of revenue reserves.**

4. CONSULTATION

The Executive's budget proposals were considered by Council on 4 February 2014 following consultation with Overview & Scrutiny Panels, and the public.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Executive is requested to consider the proposed budget amendments carried by Council on 4 February and make recommendation to Council on 20 February 2014 in regards to the following:

- (i) Acceptance of the Government's Council Tax Freeze Grant for 2014/15 and 2015/16, in conjunction with noting the recurring nature of previous years freeze grants, and to approve a zero increase to the City Council's share of Council Tax for 2014/15 (two proposed amendments);
- (ii) Provide funding to support staff well-being initiatives of £3,000 per annum funded from the freezing of Members' allowances in 2014/15.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

To ensure that a balanced budget is set.

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**Appendices
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – not applicable

Economic Development – not applicable

Governance – The Council has a fiduciary duty to manage its resources properly and for the benefit of its community. In doing so, it is required to take account of the advice it receives from its chief finance officer, the Director of Resources. The Council must have a balanced budget to deliver its services and also achieve and sustain an appropriate level of reserves.

Local Environment – not applicable

Resources – contained within the report.