

EXECUTIVE (SPECIAL MEETING)

MONDAY 17 FEBRUARY 2014 AT 4.00 PM

PRESENT:

Councillor Glover (Leader / Chairman)
Councillor Mrs Martlew (Deputy Leader; and Environment and Transport Portfolio Holder)
Councillor Mrs Riddle (Communities and Housing Portfolio Holder)
Councillor Dr Tickner (Finance, Governance and Resources Portfolio Holder)
Councillor Mrs Bradley (Economy and Enterprise Portfolio Holder)

OFFICERS:

Town Clerk and Chief Executive
Director of Resources
Director of Local Environment
Assistant Solicitor

ALSO PRESENT:

Councillors Allison and J Mallinson (Observers)

WELCOME

The Leader welcomed all those present to the special meeting.

APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Ms Quilter (Culture, Health, Leisure and Young People Portfolio Holder); the Deputy Chief Executive; the Director of Governance; and the Director of Economic Development

CALL-IN

The Leader reported that The Mayor had, on 12 February 2014, agreed that the following item should be exempt from call-in as call-in procedures would overlap the special City Council meeting on 20 February 2014:

- Budget 2014/15 – Consideration of Proposed Amendments agreed by the City Council on 4 February 2014

The Leader further announced that, in accordance with the Council's Budget and Policy Framework Rules, the Director of Governance had on 6 February 2014 written (on behalf of the Council) formally informing him of the three proposed amendments to the Executive's Budget Proposals 2014/15; and instructing him to require the Executive to reconsider its Budget Proposals for 2014/15 in the light thereof.

The special meeting had been convened in compliance with that instruction.

DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

PUBLIC AND PRESS

RESOLVED – That the Agenda be agreed as circulated.

EX.22/14 **BUDGET 2014/15 – CONSIDERATION OF PROPOSED AMENDMENTS AGREED BY COUNCIL ON 4 FEBRUARY 2014 (Key Decision)

(With the consent of the Chairman, and in accordance with Rule 15 of the Access to Information Procedure Rules; and Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 this item was included on the Agenda as a Key Decision, although not in the Notice of Executive Key Decisions)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

There were submitted the Budget Proposals 2014/15 approved by the Executive on 15 January 2014 (EX.06/14); and the following proposed amendments to the Executive's Budget recommendations for 2014/15 which were referred to the Executive by the City Council on 4 February 2014:

(i) Council Tax (as proposed by Councillor Dr Tickner)

“The Government recently announced that additional funding for previous years Council Tax freezes (2011/12 and 2013/14) is now to be included in the Revenue Support Grant Settlement from 2015/16. This was an eleventh hour U turn by the Government and accordingly the Council did not previously budget for this as the grants were initially on a non-recurring basis. The grant funding previously included in the budget proposals has now been amended to reflect that the Council Tax Freeze Grant is recurring and will be subsumed within RSG. This change now allows the Council to absorb the additional cost of freezing Council Tax for 2014/15 and 2015/16 whilst maintaining adequate revenue reserves. The proposed budget has been revised and now includes the financial impact of a Council Tax Freeze for 2014/15 and 2015/16.”

(ii) Council Tax Freeze Grant (as proposed by Councillor J Mallinson)

“To accept the Government's offer of the council tax freeze grant for 2014/15 and 2015/16 of 1% equating to £68,000 per annum as detailed in their letter of 15th January 2014, in conjunction with accepting the recurring nature of previous years council tax freeze grants.

This will enable the Council to approve a 0% increase for the Council's share of Council Tax for 2014/15 and provide an indicative 0% increase for 2015/16. This proposal is to be funded by appropriation to and from Revenue Reserves."

(iii) Members' Allowances (as proposed by Councillor Mrs Luckley)

"Members' allowances are due to increase by 1% in line with the officers pay award for 2014/15. This proposal is to freeze the allowances paid to Members in 2014/15, equating to a total saving of approximately £3,000 per annum, with the saving being used to support staff well-being initiatives e.g. staff healthy living schemes."

A summary of the cumulative effect of the three proposed amendments and supplementary report (RD.86/13) by the Director of Resources were also submitted to assist the Executive in responding to the proposed budget amendments carried by Council on 4 February 2014.

Members noted that, subsequent to the Council meeting, the Government had confirmed the final RSG figures with only a minimal change to the draft figures received in December. All other specific grants had been confirmed and the outstanding Parish Precepts had been received. There were no changes required to the figures as originally presented as a result of those notifications.

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

In terms of the proposed amendments concerning Council Tax and Council Tax Freeze Grant, Report RD.86/13 recorded that the DCLG had written to all Councils on 15 January outlining the Council Tax Freeze Scheme for 2014/15 and providing some clarification as to the grants awarded for freezing Council Tax in 2011/12 and 2013/14.

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

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

The implications of the DCLG's announcement on the revenue Budget were reproduced in the table at Section 2 of the report. A 0% increase in the City Council's share of Council Tax for 2014/15 was recommended.

The saving of £3,000 per annum, generated from freezing Members' allowances in 2014/15, was to provide additional funding to support staff well-being initiatives for example, healthy living schemes. For 2014/15 the proposal was 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. The amendment had no impact on the total revenue budget and no impact on the level of revenue reserves.

The Leader confirmed that the Executive had, as instructed by Council, reconsidered their Budget proposals for 2014/15 and were supportive of all three of the above mentioned amendments. The amendments had now been incorporated into revised Budget Proposals 2014/15 (Version 6.0), copies of which were tabled.

In conclusion, the Leader formally moved the Executive's revised Budget Proposals 2014/15 (Version 6.0) for submission to the City Council at their special meeting on 20 February 2014.

The Finance, Governance and Resources Portfolio Holder seconded the recommendation.

Summary of options rejected None

DECISION

That the Executive:

1. Had given consideration to the proposed budget amendments (Council Tax; Council Tax Freeze Grant; and Members' Allowances) carried by Council on 4 February 2014.
2. Agreed the following amendments and that a revised Budget document, attached as Appendix A, incorporating the amendments, be submitted to the City Council on 20 February 2014:
 - (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.

Reasons for Decision

The Executive required to respond to the proposed amendments of the City Council and, accordingly, would submit a revised Budget document to the City Council on 20 February 2014

(The meeting ended at 4.05 pm)