

## **Item 6 (c) – Revenue Budget and Council Tax**

The attached report was considered by the Cabinet on 6 February 2014. The relevant minute extract is below. The recommendations made amendments to the appendices listed within the original report. For clarity the relevant Appendix pages have been amended in line with the recommendations below and are attached for reference.

### 76. (Budget Setting) Revenue Budget and Council Tax

In accordance with Section 100B (4) of the Local Government Act 1972, the Chairman had agreed to accept the papers for this item as an urgent matter. The papers had not been available five clear working days before the meeting due to the late receipt of Government grant details and the continued delay in announcing the referendum limit for Council Tax and the report needed to be considered by Cabinet prior to Council on 18 February 2014.

The Portfolio Holder for Finance & Resources presented the report which set out the proposed budget and updated Members on the information received to date regarding the setting of Council Tax levels for 2014/15. The report detailed changes to the draft budget since the Cabinet meeting on 5 December 2013, and proposed a net expenditure budget of £14.106m in 2014/15 (£13.800m in 2013/14). The report set out the proposed budget and required Council Tax for 2014/15.

The Chief Finance Officer reported that the Council had continued with the 10-year budget strategy that had been used over the last four years and had recently been highlighted by Grant Thornton, the external auditors, as an example of best practice. Regular reports had been presented to Cabinet and the Advisory Committees had also had the opportunity to analyse the budgets within their areas of responsibility during the process.

The Government had finally set the referendum limit the day before the meeting, at 2%; therefore the proposed net expenditure for 2014/15 was £14.106m with the District's Council Tax increasing by 1.99% to £189.18 for a Band D property.

Since the last update on 9 January 2014, there had been several changes made to the budget set out from paragraph 18 of the report, including: the higher increase in the Council Tax base; superannuation fund triennial valuation having a similar outcome to the previous valuation; and, possible increased budgets for Asset Maintenance. Cabinet had been advised of a number of growth and savings proposals in January, and the Service Change Impact Assessments (SCIAs) for these proposals were included in Appendix D to the report. Appendix H recommended changes to the Reserves, including transferring £200,000 from the First Time Sewerage Reserve to a new Corporate Project Support Reserve.

The late Government announcements including the provisional Government Grant Settlement on 18 December and the referendum limit only just being set had

caused problems for local authorities across the country. It had looked likely at the time of publication of the report that the Council meeting planned for 18 February 2014 would need to be put back due to the other major preceptors (KCC, Fire, Police) having to formally set their Council Tax levels before this Council could set the overall Council Tax. With the referendum limit now set it was anticipated that all of the information would be received in time for the Council meeting on 18 February 2014. An extraordinary meeting of Cabinet was also now not needed.

The Deputy Portfolio Holder for Economic & Community Development reported that he and the Portfolio Holder had been working with the Chief Officer Communities and Business to accommodate within the budget the employment of a Business Development Manager. The Chief Officer Communities and Business, confirmed that this post could be funded with a budget of £50,000 on a two year fixed term contract by reducing the growth item over five years for broadband (SCIA2).

In light of the Government announcements and subject to the amendments to enable the employment of a Business Development manager for a two year fixed term contract, the Chairman proposed amendments to the recommendations.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be **recommended to Full Council** that

- a) the Summary of Council Expenditure and Council Tax set out in Appendix E to the report, adjusted for the Business Development Manager proposal, be approved;
- b) the 10-year budget 2013/14 to 2023/24 which was the guiding framework for the detailed approval of future years' budgets as set out in Appendix A to the report, adjusted for the Business Development Manager proposal, including the growth and savings proposals set out in Appendix B-D to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve, be approved;
- c) the changes to reserves set out in Appendix H to the report, be approved;
- d) no Council Tax Support funding for Town and Parish Councils be issued as no money had been ring-fenced for this purpose in the Government Grant Settlement, and this approach agreed and adopted by Council; and

- e) Officers to come forward for proposals at Full Council for the amount of council tax charge for 2014/15, in line with the 10-year budget and Government guidance.

(In line with the recommendation above, the following updated appendices are attached: A, C, D, E, and F)