

REPORT TO: Council

Date of Meeting: 6 March 201

SUBJECT: Budget and Council Tax Recommendation 2014/2015

REPORT OF: Head of Corporate Finance and ICT

Wards Affected: All

Is this a Key Decision? Yes

Is it in the Forward Plan? Yes

Exempt/Confidential:

No

PURPOSE/SUMMARY:

This report is dependent upon decisions to be made on the previous agenda item, on budget proposals, or Council Tax changes in order to set a balanced budget for 2014/2015.

In addition, the Police and Fire Precepts will not be agreed before this agenda is sent out. Any changes to the indicative figures included in the report will be reported at the meeting.

To inform Council of the level of levies and precepts set for 2014/2015, and to consider a budget and Council Tax for 2014/2015.

RECOMMENDATION(S):

Council is recommended to:

1. Approve a budget for 2014/2015; and
2. Agree the Council Tax for Sefton Council for 2014/2015.

How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening local Democracy		√	

Reasons for the Recommendation:

The Council must set a Council Tax for 2014/2015 by 10 March 2014 at the latest.

What will it cost and how will it be financed?

(A) Revenue Costs

Cabinet on 27 February 2014 considered the Revenue Budget and the Council Tax level for 2014/2015. The budget for 2014/2015 as set out in Annex A includes a budget gap of £4.781m. Savings or other adjustments will be required to achieve a balanced budget.

The setting of the Council Tax will enable the Council to receive income from Council Tax Payers during 2014/2015.

(B) Capital Costs

Nil

Implications

The setting of the Council Tax will enable the Council to receive income from Council Tax Payers.

Legal:

The Council is required to set a Balanced Budget and Council Tax level by 10 March 2014.

Human Resources:

None

Equality

1. No Equality Implication

2. Equality Implications identified and mitigated

3. Equality Implication identified and risk remains

Impact on Service Delivery

As set out in the report

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has agreed this report. (FD2842/14)

The Head of Corporate Legal Services has been consulted and has no comments on the report. (LD2148/14)

Are there any other options available for consideration?

There are no alternative options. The Council must set a budget and a Council Tax by 10 March 2014 at the latest.

Implementation date for the Decision:

Immediately following Council.

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Background papers:

None

1. Introduction

- 1.1. The Council is legally required to fix its budget and set a Council Tax for 2014/2015 by 10 March 2014.
- 1.2. This report provides details of the amounts that will be paid to levying bodies in 2014/2015 and indicative levels of precepts that are to be considered by the Police and Crime Commissioner, the Fire and Rescue Authority and Parish Councils.
- 1.3. The Council approved a two year financial plan, including 2014/15 on 28 February 2013 allowed a balanced Indicative Budget to be set for 2014/2015. Variations to this budget were presented to Cabinet on 27 February 2014, which included a budget gap of some £4.781m. This report has been written before the Cabinet meeting of 27th February and therefore there is no recommendation from Cabinet on the specific combination of Council Tax, short term one-off resources and other savings to balance the budget for 2014/15. The previous agenda item will enable Council to determine a balanced Budget for 2014/2015, and a proposed level of Council Tax.

2. Charges Relating to External / Levying Bodies

- 2.1. The Council is required to pay charges relating to levies from external bodies. The expected amounts to be paid in 2014/2015, and their impact on Sefton's budget compared to 2013/2014, is shown in the table below: -

<u>Levying Body</u>	2013/2014 £	2014/2015 £	Change £
Integrated Transport Authority	25,274,000	25,158,000	-116,000
Waste Disposal Authority	11,867,612	12,200,903	333,291
Environment Agency	144,084	143,272	-812
Inshore Fisheries and Conservation Authority	59,248	60,433	1,185
Port Health Authority Charge	39,750	39,750	0
	37,384,694	37,602,358	217,664

The above figures have been built into the amended "possible" Budget for 2014/2015.

3. Precepts

3.1. Fire & Rescue and Police and Crime Commissioner Precepts

- 3.1.1. The Fire and Rescue Authority is due to set its budget / precept for 2014/2015 on 27 February 2014, with a Band D increase equivalent to 1.99% proposed. The Merseyside Police and Crime Commissioner is due to set the budget / precept for 2014/2015 on 26 February 2014, with a Band D increase

equivalent to 1.95% proposed. Any variations to these figures agreed by the respective organisations will be reported to the Council meeting.

3.1.2. The table below sets out the position for both Authorities, assuming the above figures are approved.

<u>Precept</u>	2013/2014	2014/2015	Change	
	£	£	£	%
Fire & Rescue Authority	5,256,663	5,394,829	+138,166	
Police and Crime Commissioner	11,755,180	12,059,260	+304,080	
<u>Council Tax (Band D)</u>				
Fire & Rescue Authority	68.70	70.07	+1.37	+1.99
Police and Crime Commissioner	153.63	156.63	+3.00	+1.95

3.2. Parish Precepts

3.2.1. The Council Tax income that parish areas can generate was reduced in April 2013 as a result of the introduction of the local Council Tax support scheme. The Government built funding into Sefton's Settlement Funding Assessment in order to provide parish areas with compensation for this loss of Council Tax income. How much, if any of this funding is to be passed on to parish councils has been left to councils to decide in discussion with the parishes. In 2013/2014 the Sefton Council provided parish areas with a grant of £118,116 to bridge this funding gap. Cabinet on 5 December 2013 agreed that the same amount is paid to each Parish in 2014/2015, in order to provide stability of funding. Future funding will be considered separately, as part of the preparation for the 2015/2016 budget process.

3.2.2. All Parish Councils have set their precepts for 2014/2015. The total level of precepts has changed from £854,079 in 2013/2014 to £871,563 in 2014/2015. Details of the precepts and Band D equivalent Council Tax charge in each Parish area are set out below: -

	<u>Precept</u>			<u>Band D</u>		
	2013/2014	2014/2015	Change	2013/2014	2014/2015	Change
	£	£	£	£	£	£
Aintree Village	90,000	90,000	0	46.08	45.63	-0.45
Formby	44,930	55,000	10,070	5.13	6.20	1.07
Hightown	4,166	4,240	74	5.01	5.05	0.04
Ince Blundell	1,430	1,750	320	9.05	11.09	2.04
Little Altcar	2,500	2,500	0	9.53	9.55	0.02
Lydiate	129,903	129,903	0	66.57	65.71	-0.86
Maghull	555,871	562,891	7,020	88.85	88.85	0.00
Melling	18,000	18,000	0	19.09	18.87	-0.22
Sefton	2,779	2,779	0	12.59	12.15	-0.44
Thornton	4,500	4,500	0	6.21	6.12	-0.09

4. Proposed Budget for 2014/2015

- 4.1. Under the Council's Constitution, a Budget / Council Tax level has to be recommended to Council for consideration.
- 4.2. At the time of writing the report, Cabinet recommendations are not available. However, in order to provide Members with as up to date information as possible, Annex A shows the latest Budget position for 2014/2015 i.e. including a budget gap of £4.781m.

5. Excessive Council Tax Increases

- 5.1. On 5 February 2014, the Secretary of State confirmed the criteria that would be used to determine if an authority had set an excessive Council Tax increase in 2014/2015. Any Metropolitan District that increases its relevant amount of tax (which now includes levies, i.e. the Band D Council Tax) by 2.0% or more will be deemed to have set an excessive increase and will be required to hold a referendum.

6. Recommended Council Tax for 2014/2015

- 6.1. Council are to consider the Budget, and the Council Tax level for 2014/2015., The Budget report on this agenda identifies three options for Council Tax; to freeze Council tax, to increase below the referendum threshold and to raise Council tax to a level above the referendum threshold.
- 6.2. The possible overall Band D Council Tax to be levied for 2014/2015 (excluding Parish Precepts) would be as follows (Indicative figures for Police and Fire have been included): -

- 6.2.1. Assumed Freeze on the 2013/2014 Level of Council Tax: -

	2013/2014 £	2014/2015 £	Variation £
Sefton	1,266.68	1,266.68	0.00
Police and Crime Commissioner	153.63	156.63	+3.00
Fire and Rescue Authority	68.70	70.07	+1.37
	1,489.01	1,493.38	+4.37

- 6.2.2. Maximum increase in Council Tax without a referendum (+1.99%)

	2013/2014 £	2014/2015 £	Variation £
Sefton	1,266.68	1,291.89	+25.21
Police and Crime Commissioner	153.63	156.63	+3.00
Fire and Rescue Authority	68.70	70.07	+1.37
	1,489.01	1,518.59	+29.58