

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Alternative Proposals For The Council Budget 2019/20

Meeting/Date: Cabinet – 17 January 2019

Executive Portfolio: Councillor Jonathan Gray, Executive Councillor for Resources

Report by: Councillor Tom Sanderson, Independent Group Leader

Wards affected: All Wards

Executive Summary:

The Council is required to set an annual Budget for the forthcoming year, in order to set the Council Tax for the area and approve its Medium Term Financial Strategy (MTFS) covering the following four years.

This report is to provide Members with details for some alternative ideas for the draft Budget for 2019/20.

This report has been considered by the Overview and Scrutiny Panel (Performance and Growth) at their meeting on 8 January 2019 and their comments are set out in section 3 of this report for Cabinet's consideration.

Recommendation:

The Cabinet is

RECOMMENDED

to consider the proposed alternative budget and council tax proposals for inclusion in the Draft Revenue Budget and Medium Term Plan 2019/20 to 2022/23 (Item 4 of the Agenda refers).

1. PURPOSE OF THE REPORT

- 1.1 To provide Cabinet with the detail of the some alternative ideas for the draft Budget for 2019/20 from the Independent Group. All suggested savings, new investment and changes to the Band D Council Tax charge has been fully costed by the council's finance team.

2. PROPOSED ALTERNATIVES

- 2.1 The current (2018/19) budget for Active Lifestyles is £205,000. We propose moving £100,000 from this budget line to the Community Chest with new governance arrangements in place to allow for greater transparency and a cross party input to allocating funding for good causes in Huntingdonshire. Clearly there would be no impact on the level of the Band D Council Tax charge.

- 2.2 The total budget for grounds maintenance is currently £425,000. We propose moving all the grounds maintenance and planting to the relevant town/parish council to manage as soon as practicable and take 20% out of the grounds maintenance budget. The remaining 80% of the budget should be put into commuted sums to allow parish/town councils to meet the costs of this new arrangement. This budget currently includes both fleet costs, an element of support costs and the provision of a commuted sum. This obviously is a straight saving to the General Fund of £85,000. The impact on a Band D Council Tax charge would be a reduction of £1.38 per annum.

- 2.3 The budget for leisure and play facilities for young people is currently 2018/19 £25,000 with forward provision for the period 2019/20 to 2022/23 of £25,000, £53,000, £30,000, and £30,000 respectively. If the method of funding any additional cost were to be via prudential borrowing there would then be an impact on the General Fund. As an example, for every extra £5,000 spent on these facilities funded by borrowing the added pressure on the General Fund would be £715 (Minimum Revenue Provision) with £0.43 added to a Band D Council Tax per annum.

- 2.4 We propose introducing a small budget for the Local Highway Improvements Scheme For Huntingdonshire (LHI) that the County Council runs. They pay the bulk of the costs for minor highway and environmental enhancements if a specific project is approved and part funding is available elsewhere.

- 2.5 Any contribution to this scheme would be a capital cost. If borrowing is chosen as the method of funding such a cost then there would be an added pressure on the General Fund. As an example, if £100,000 were to be spent on LHI contributions by this Council the cost would be a Minimum Revenue Provision of £5,000 per annum. The impact on the Band D council tax would be an increase of £0.08 per annum.

- 2.6 Council Tax

The 2018/19 level of Band D Council Tax is £138.56. We propose a 3% increase to be applied and the following charges would be levied for the period of the new budget and MTFS.

2019/20	£142.72
2020/21	£147.00
2021/22	£151.41
2022/23	£155.95
2023/24	£160.63

If the 3% increase is applied this would generate £257,000 more income in 2019/20 and £4.3m more income across the budget and MTFS period (up to 2023/24).

3. COMMENTS OF OVERVIEW & SCRUTINY

- 3.1 The Overview and Scrutiny Panel (Performance and Growth) received the Alternative Proposals for the Council Budget 2019/20 at its meeting held on 8th January 2019.
- 3.2 In respect of the Community Chest proposal, concern was expressed that as the Council are not spending the existing budget then to add another £100k would be excessive. It was recognised that the Community Chest could be better advertised to make groups more aware of the scheme.
- 3.3 A concern was raised that by removing £100k from Active Lifestyles for the Community Chest would render the Active Lifestyles service unviable.
- 3.4 Support was expressed for the idea of Town and Parish Councils adopting all grounds maintenance work within their area and Members stated that the idea should be explored. There were concerns that even with additional funds some Town and Parish Councils would not be able to afford the required staff resources or additional equipment.
- 3.5 Concern was expressed that by transferring grounds maintenance responsibilities over to Town and Parish Councils, some District Council staff may be made redundant.
- 3.6 Members understood the principle of the Local Highway Improvement Scheme run by the Council, however some Members were not clear about the practicalities of the proposed scheme and how it would work alongside Cambridgeshire County Council's scheme.
- 3.7 The Panel did not discuss the proposal for additional provision for leisure and play facilities for young people in depth. However a Member did comment that they were sympathetic towards the grounds maintenance proposal but not the other proposals which suggested a lack of support for additional provision for leisure and play facilities.
- 3.8 Regarding the proposed 3% increase on Council Tax, a Member commented that it was possible to increase Council Tax by £5, which equates to 3.6%, and that this would better fulfil the aim of raising the maximum amount possible in order to fund services and address budgetary overspends.
- 3.9 The Panel expressed support for the alternative proposals to be discussed by Cabinet.

4. LIST OF APPENDICES INCLUDED

Appendix 1 – Summary of alternative budget proposals

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