

Cheltenham Borough Council Budget Consultation 2013/14

Background

This is a difficult time for all local councils, and this is certainly true for Cheltenham. We have already had a cut of 23 per cent in our government funding between 2010 and 2012, and we will lose another 7 per cent in core funding in the coming financial year. The sluggish state of the national economy has hit our investments and our pension fund, and has also meant that sources of income such as car park fees and building control fees have fallen.

The government has asked local councils to freeze council tax at its current levels, but it is only giving them half the money they need to do this, and only for a two year period. Freezing council tax is therefore not as easy as it seems.

Nonetheless the council is keen to keep down costs to the local taxpayers. It is difficult to do this without cutting services – but as this budget shows, it is not impossible. **We have made vigorous efforts to reduce our costs and find savings wherever this is possible without cutting services.** As a result we are able to propose that:

- 1. there will be no increase in the borough council's share of council tax in 2013/14. It will be held at its current level (£187.12 for a Band D property) for a third year running**
- 2. charges in the council's off-street car parks will also be frozen at their current levels for the third year running to help the local economy**

Fees and charges

Besides car park charges, the annual fee for the garden waste 'brown bin' scheme will also be frozen at its current level. Building control fees will also be held at their current levels in recognition of current difficult market conditions.

Planning fees, which are set by national government, will increase by 15 per cent. This is to help councils reduce the large gap between what they spend on planning services and what they recover in fees.

Other charges will rise by around 2.5 per cent, broadly in line with inflation.

Spending

In order to be able to freeze council tax and do the other things set out in this budget, we have identified £1,290,200 of savings. They can be summarised as follows:

Organisational changes, including management and staff restructuring	£388,500
Savings from shared services	£428,400
Leisure and culture commissioning (restructuring)	£90,000
Additional income (planning fees and planning advice)	£65,000
Asset management (take £200k increased contribution to planned Maintenance from New Homes Bonus instead of revenue budget)	£200,000
Supplies and services savings	£8,300
Additional recharge to the Housing Revenue Account	£69,000
Tender saving on the Single Advice Contract	£22,000
Reductions in regeneration partnership grants already agreed in previous budgets	£4,000
Reductions in staffing and operational budget for community development achievable with no impact on service delivery	£15,000

Services

The aim of the budget, and its emphasis on organizational changes rather than cuts in services, is to maintain the present level of services at a lower cost.

In the current constrained financial circumstances, there is very little room for growth in services, though additional one-off money has been found to support the development of the Joint Core Strategy (the planning blueprint for the Cheltenham, Tewkesbury and Gloucester districts) and the setting up of an arms-length trust to run leisure and culture services (which is expected to deliver very substantial revenue savings in future years).

£50,000 has been budgeted for a Community Pride fund, to which community groups, parish councils and other groups can bid for funding of community-based initiatives and improvements.

£30,000 a year has been budgeted from the New Homes Bonus to support work to reduce the number of empty properties in the town. It is expected that this will more than pay for itself, as it will generate additional New Homes Bonus income in the future.

Council tax benefit

The government has decided that from next April, the national Council Tax Benefit scheme will be abolished and that local councils will be free to set up their own schemes for people of working age. We and the other Gloucestershire councils have agreed to adopt a scheme for next year which is practically identical to the present scheme. Existing council tax benefit customers will be transferred over to the new scheme automatically and should see no difference in awards.

However the government will be cutting its funding for council tax support by 10 per cent, though there will be transitional grants to reduce the impact slightly in the first year. The council believes it would be wrong to inflict more hardship than absolutely necessary on people on council tax benefit, who are by definition some of the least well-off people in the community. We are therefore seeking to recoup the money the government has cut by changing some council tax exemptions and discounts (see below).

Council tax exemptions and discounts

It is proposed in this budget that the 10 per cent discount for second homes should be abolished. We also propose that certain categories of empty properties should no longer be exempt but should qualify for discounts. Long-term empty properties will continue to be charged council tax at the full rate. More detail of the proposed changes is given on page 5 of the main budget report.

Consultation on the draft budget proposals

Cheltenham Borough Council wants to hear the public's view on how they think they should shape the final budget proposals for 2013/14. Consultation leaflets and questionnaires will be available in reception at the Municipal Offices and other council premises and will also be available to complete online on the council website (www.cheltenham.gov.uk/budget). The consultation will finish on 25 January 2013 following which the cabinet will review the responses and prepare a final budget for consideration at a council meeting.

Final budget setting

The full council will be meeting to set the budget, taking into account feedback from the budget consultation process, on Friday 8 February 2013 at 2.30pm in the Municipal Offices. The council will meet again on Friday 22 February 2013 at 2.30pm to determine the level of council tax, taking into account the requirements of Gloucestershire County Council and the Gloucestershire Police Authority.