

Cheltenham Borough Council

Budget Consultation 2014/15

Background

This is a difficult time for all local councils, and this is certainly true for Cheltenham. Between 2009 and 2013 our core funding from the Government has been cut from £8.8 million to £5.1 million. In the coming year we will lose a further £844,000 in core funding. 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.

However, there is one positive factor which makes our task slightly easier. Our income from the Government's New Homes Bonus is projected to rise to £1.06m in the coming year. This is the money that the Government gives all local councils for each new house built (or empty house filled) in their areas. We have therefore been able to use more income from the New Homes Bonus to help our budget.

Our approach to the budget

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 2014/15. It will be held at its current level (£187.12 for a Band D property) for a fourth year running.**
- 2. Charges in the council's off-street car parks will also be frozen at their current levels for the fourth year running to help the local economy.**

Fees and charges

Besides car park charges, building control fees will also be held at their current levels in recognition of current difficult market conditions.

Other charges set by the council will generally rise by around 2.5%, 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 £1,437,900 of savings and additional income. They can be summarized as follows:

Savings from restructuring senior management	£156,400
Other management and staff restructures	£82,100
New savings from shared services	£182,300
Leisure and culture commissioning (savings from creating a charitable trust and restructuring the management)	£181,700
Other savings from commissioning services	£100,000
Supplies and services savings	£12,000
Additional recharge to the Housing Revenue Account	£64,400
Reductions in grants already agreed in previous budgets	£9,000
Use of New Homes Bonus to support the revenue budget	£450,000
Reduce contribution from the revenue budget to the capital reserve from £700,000 to £500,000	£200,000

Capital investment

The capital investment programme set out in this budget is relatively modest, but includes important investments in community safety such as renewing play equipment, replacing CCTV cameras. It also includes a very substantial ongoing investment in the Council's ICT equipment and infrastructure, which is urgently needed.

The council is expecting the completion of the sale of the North Place and Portland Street sites in the coming year, which will bring in valuable additional capital and enable an increased programme of capital investment to be brought to Council for approval.

Property maintenance

The council has a very substantial portfolio of property, including iconic buildings such as the Town Hall, Pittville Pump Room and the Municipal Offices and many sports and leisure facilities. It is important that we should invest in maintaining these buildings in the state which local residents would expect. This budget proposes to allocate £900,000 to planned maintenance - £700,000 from the revenue budget and £200,000 from the New Homes Bonus.

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. However, £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.

Council tax benefit

Last year, the Government decided to abolish the national Council Tax Benefit scheme and to require local councils to set up their own schemes for people of working age. They also reduced the funding they provided for council tax support by about 9 per cent.

We and the other Gloucestershire councils agreed to adopt a scheme for 2013/14 which was practically identical to the previous scheme. Existing council tax benefit customers were transferred over to the new scheme automatically, with no change to the awards they received. The funding shortfall from the Government was, in effect, absorbed by the councils without penalising claimants.

The council's new budget proposes that this scheme should remain unchanged for a further year.

Consultation on the draft budget proposals

The borough council wants to hear the public's view on how they think they should shape the final budget proposals for 2014/15. 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 24 January 2014 following which the Cabinet will review the responses and prepare a final budget for consideration at Council.

Final budget setting

The full Council will be meeting to set the budget, taking into account feedback from the budget consultation process, on Friday 14 February 2014 at 2.30pm in the Municipal Offices. The Council will meet again on Friday 28 February 2014 at 2.30pm to determine the level of council tax, taking into account the requirements of Gloucestershire County Council and the Gloucestershire Police Authority.