

North Tyneside Council Report to Council Date: 16 February 2023

Title: 2023-2027 Financial
Planning and Budget Process:
Conservative Group Notice of
Objection

Report of: The Conservative Group

Wards affected: ALL

Conservative Group Notice of Objection for the 2023/24 General Fund Revenue Budget, the proposed Council Tax Level for 2023/24, the Investment Plan for 2023-2028 and the Treasury Management Statement and Annual Investment Strategy for 2023/24

1.0 Introduction - Better services for less

- 1.1 The alternative budget presented by the Conservative Group sets out a plan to refocus the Authority - to deliver better services for less Council Tax. The Conservative proposal is built upon the three issues that residents tell us they are most worried about: tackling crime and anti-social behaviour, fixing our roads and pavements and easing the Council Tax burden on families across North Tyneside.
- 1.2 Crime and anti-social behaviour (ASB) are blighting communities across our Borough, but the Mayor and Labour Police and Crime Commissioner (PCC) have taken little to no action. This budget sets out a plan for 10 new Community Wardens to tackle the problem across North Tyneside. These Wardens would work within the existing Community Protection Team to ensure the Authority is able to respond to events quickly and effectively, keeping our communities safe.
- 1.3 The issue of anti-social behaviour is seen most often on the Metro system at the coast which is why we have set aside a £0.100m fund to negotiate an arrangement with Nexus to have ticket barriers installed and manned at Tynemouth and Cullercoats stations. The plan would see barriers operated during ASB flashpoints in school holidays, hot summer days and high-profile events to reduce the numbers coming to the coast just to cause trouble.
- 1.4 Our plan to tackle anti-social behaviour also includes direct action to prevent the scourge of litter and fly-tipping across our area with 100 new bins and a new advertising campaign. There is also provision to remove all charges at recycling centres which we believe will reduce the number of fly tipping reports. In addition to this our 10 new Community Wardens would have the power to issue fixed penalty notices (FPN's) for dog fouling and littering, bolstering the Authority's capacity to crack down on these anti-social habits for good.
- 1.5 Residents often complain to us that trees across North Tyneside are not maintained in the way that we would expect - the impact of Storm Arwen on our area would support these claims. With so many tree-lined streets it is imperative that the Council maintains trees in a proper way, cutting them back regularly and keeping them healthy. Our Budget gives the arborist team the capacity to do just that, increasing the capacity of the core

team with three new staff members to create a third permanent Arbor team. Under our plan residents can rest assured trees would be properly maintained.

- 1.6 Fixing our roads and pavements is a top priority for residents - after a decade of neglect by this Labour administration residents complain that it is more common to see a broken pavement than a flat one. Our Budget sets aside an extra £1 million in the Investment Plan for the road and pavement repair fund to get repairs happening at pace to bring the network up to a respectable standard. This will come as a huge relief for residents who are all too often told that roads which are down to the cobbles are 'not in need of repair' and pavements which they have tripped on 'are subject to a 6-month check-up'. Our roads and pavements need action now and that is exactly what this Conservative Budget delivers.
- 1.7 The Mayor and her administration have become known for vanity projects like the £1.5 million pound Dutch-style roundabout, but once these projects are built the maintenance seems to just fall away. So, rather than spend many more millions on these kind of photo opportunities, we are instead investing in a cycle-path maintenance scheme, including a leaf sweeper and a gritter designed specifically to ensure these multi-million-pound schemes can be used - and not just by the Mayor for a photo opportunity!
- 1.8 Finally, our budget recognises the financial pressures which residents across North Tyneside are facing. So, rather than increasing Council Tax by the maximum like Labour do each year without thought, we propose a reduction in the Council Tax increase. This will help residents keep more of the money they earn while ensuring the Authority has enough to deliver top class services as set out in this alternative budget.
- 1.9 Our Budget also asks the Mayor and Cabinet to remove the Rent increase for the HRA Tenants for 2023/24 and look for further efficiencies for 2023/24 and beyond that sustain this reduction for Tenants. At a time when there are significant pressures on residents' finances, a rent freeze seems a very obvious way to ensure some of our poorest residents aren't being pushed further into poverty by the Authority.
- 1.10 Our Budget pays for better services by cutting the cost of politics: getting rid of the chauffeur driven car, abolishing councillors' expenses and axing the Council Magazine. These are changes that residents will be glad to see. The question is will Labour Councillors take this moment of introspection and ask themselves, in the interests of residents, is now finally the time to stop the gravy train and get off.
- 1.11 We have included the use of £0.150m from the Strategic Reserve to allow the Authority to reconvene the Independent Remuneration Panel to consider our Group's proposal to reduce basic and special responsibility allowances. The Reserve usage provides resources in the event that the changes are not approved by Council during 2023/24. At a time when residents' finances are being squeezed, we would take a closer look at whether spending almost £1 million per year on Councillors allowances is prudent.
- 1.12 A saving of £0.182m is included by reducing the Communications and Marketing Team to the level required to deliver statutory and public health communications. We would also conduct a review of the Mayor's Office, including obtaining benchmarking information from regional neighbours, to explore the opportunity to reduce the cost of this team for future years.
- 1.13 This budget proposes to reduce the amount of borrowing undertaken by the Authority by removing the loan on the Trading Company for affordable homes from the Investment

Plan. Over the 5-year period, this would remove £12.5m, with £1.5m removed in 2023/24. We do not believe that a £12.5m loan to build houses, when thousands are already being built across North Tyneside is a good use of money.

- 1.14 Achieving Net Zero by the government’s ambitious 2050 target is both sensible and achievable, but this Labour administration has instead chosen to go at a faster pace, costing residents hundreds of thousands of pounds on unproven technology. Our plan would move our net zero target in line with the Government’s 2050 target, meaning that we can ensure technology like heat-pumps and electric vehicles are cheaper and more reliable before we spend millions of pounds on them. During an international cost of living crisis this seems to us to be a pragmatic decision.

This Conservative budget delivers better services for less, with a lower rate of Council tax than Labour, with less borrowing than Labour and enhanced public services to tackle the issues our residents care about.

2.0 2023/24 Council Tax Requirement Resolution

2.1 The Conservative Group recommends that:

1. The recommended Budgets of the Authority be approved as noted below, subject to the variations listed in paragraphs 2 and 3 below:

	£
General Fund Revenue Budget	182,058,607
Total	<u>182,058,607</u>

2. The following levies be included in the Budget Requirement:

	£
The Tyne and Wear element of the Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority Transport Levy	12,597,052
Environment Agency	216,198
Total	<u>12,813,250</u>

3. The contingency be set as follows:

	£
Contingency	17,702,331
Total	<u>17,702,331</u>

4. The following objections are proposed to be incorporated in full within the Authority’s Budget.

Table 1 – Notice of Objection Growth Requirement

Item		£m
1.	Reduce the Council Tax Increase	0.400
2.	Increasing the Arborist Team by one full Team to 3 Teams	0.112
3.	10 New Community Wardens to tackle anti-social behaviour, litter and dog mess.	0.406
4.	Remove recycling centre charges to reduce fly tipping	0.080
5.	Cycle path maintenance (Staffing)	0.037
6.	100 New Bins (Staffing)	0.064
7.	New anti-litter advertising campaign	0.015
8.	Set aside funding for a partnership with Nexus to deliver manned ticket barriers at Tynemouth and Cullercoats Metro Stations to tackle anti-social behaviour	0.100
9.	Removal Services Grant Allocation from Contingencies	(0.077)
	Total Growth requirement for the Objection Revenue Budget	1.137

Table 2 – Notice of Objection Savings / Income Requirement

Item		£m
1.	Civic Car Staffing & Associated Costs	(0.022)
2.	Civic Car licence registration	(0.001)
3.	Cease publication of the Council magazine	(0.029)
4.	Removal of the Climate Change Revenue Budget	(0.098)
5.	Removal of Members expenses	(0.085)
6.	Reduce by 50% the Trade Union Facility time.	(0.120)
7.	Reduction to the Communications & Marketing Team Staffing	(0.182)
8.	Net reduction to the Events Unit Team Staffing	(0.024)
9.	One-off use of the Strategic Reserve to undertake a review of the Members Allowances Scheme	(0.150)
10.	Maintain the Authority's Council Tax Hardship Support at the current level of up to £150 per eligible household	(0.362)
11.	Use of the Service Improvement Fund (relates to point 6 growth)	(0.064)
	Total Savings / Income requirement for the Objection Revenue Budget	(1.137)

5. Note that at its meeting held on 23 January 2023, Cabinet agreed the Council Tax base for 2023/24 for the whole Authority area as 62,692 (Item T), in the Formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act") and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
6. Agree that the Council Tax Requirement for the Authority's own purposes for 2023/24 is £115,652,321, as set out below:

Table 3 – 2023/24 Council Tax Requirement

	£	£
2023/24 Budget Requirement		182,058,607
Financed by:		
Revenue Support Grant	(13,283,804)	
Retained Business Rates	(31,193,251)	
Business Rates Top Up	(20,691,786)	
Council Tax Collection Fund Surplus	(1,237,445)	
		(66,406,286)
Council Tax Requirement		115,652,321

7. Agrees that the following amounts now calculated by the Authority for the year 2023/24 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):
- (a) £390,727,310 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(2) of the Act.
- (b) £275,074,989 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(3) of the Act.
- (c) £115,652,321 Being the amount by which the aggregate at 6(a) above exceeds the aggregate at 6(b) above, calculated by the Authority in accordance with Section 31(A)(4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act).
- (d) £1,844.77 Being the amount at 6(c) above (Item R), all divided by Item T (4 above), calculated by the Authority, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
- (e) North Tyneside Council Valuation Bands

Council Tax Band	£
A	1,229.85
B	1,434.82
C	1,639.80
D	1,844.77
E	2,254.72
F	2,664.67
G	3,074.62
H	3,689.54

Being the amounts given by multiplying the amount at 6(e) above by the number which, in the proportion set out in Section 5(1) of the Act 1992, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation

band D, calculated by the Authority, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(f) Police and Crime Commissioner for Northumbria Valuation Bands

Note that for the year 2023/24 the Police and Crime Commissioner for Northumbria has issued the following amounts in precepts to the Authority, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Authority's area, as indicated below:

Council Tax Band	£
A	112.56
B	131.32
C	150.08
D	168.84
E	206.36
F	243.88
G	281.40
H	337.68

(g) Tyne & Wear Fire and Rescue Authority Valuation Bands

Note that for the year 2023/24 the Tyne and Wear Fire and Rescue Authority has issued the following amounts in precepts to the Authority, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings in the Authority's area, as indicated below:

Council Tax Band	£
A	61.57
B	71.83
C	82.09
D	92.35
E	112.87
F	133.39
G	153.92
H	184.70

(h) Total Valuation Bands

That, having calculated the aggregate in each case of the amounts at 6(e), 6(f) and 6(g) above, the Authority, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2023/24 for each part of its area and for each of the categories of dwellings shown below:

Council Tax Band	£
A	1,403.98
B	1,637.97
C	1,871.97
D	2,105.96
E	2,573.95
F	3,041.94
G	3,509.94
H	4,211.92

8. The Authority's relevant basic amount of Council Tax for 2023/24 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.
9. The Authority's Financial Regulations will apply to the financial management of this Budget.
10. The level of contingencies will be £17.702m as pressures incurred during 2022/23 relating to Social Care, pay award and energy and contractual inflation have been recognised as part of the 2023/24 Financial Planning and Budget process.
11. It is proposed that virement levels and approvals for virement shall be in accordance with the rules set down in the Authority's Financial Regulations in force at the time.
12. The Reserves and Balances Policy is adopted as set out and is subject to review at least annually.
13. The Chief Executive, in consultation with the Elected Mayor, Deputy Mayor, Cabinet Member for Finance and Resources and the Senior Leadership Team to manage the overall Efficiency Programme and note that decisions made under this delegated authority will be reported to Cabinet as part of the regular budget monitoring information provided.
14. The Chief Executive, in consultation with the Elected Mayor and Director of Resources, to authorise the purchase of properties, on the open market, providing value for money is demonstrated and the cost can be contained within existing financial resources of the Authority. This is to ensure that the programme of delivery of affordable homes and homes at social rent is progressed in line with the Cabinet's priorities.
15. The Chief Finance Officer be authorised to serve notices, enter into agreements, give receipts, make adjustments, institute proceedings, and take any action available to the Authority to collect or enforce the collection of Non-Domestic Rates and Council Tax from those persons liable.
16. The Chief Finance Officer be authorised to disburse monies from funds and accounts of the Authority as required for the lawful discharge of its functions.

17. Agree that the Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority receive payment from the Collection Fund in 12 equal instalments on the last working day of each month.
18. Payments from the Collection Fund to be made to the Authority's General Fund in 12 equal instalments on the last working day of each month.

3.0 2023-2028 Investment Plan

- 3.1 The Conservative Group recommends the following amendments to the draft 2023-2028 Investment plan for 2023/24.

Table 4 – Notice of Objection revised 2023/24 Investment Plan

Project	2023/24 £000
General Fund	
Draft Investment Plan	61,784
Cycle Path Maintenance	87
100 New Bins and side load vehicles	100
40 New Community Notice Boards	60
Pavement and Pothole repair fund	1,000
Remove Trading Company Investment	(1,500)
Remove Carbon Net Zero Investment	(1,000)
Reduce Contingency Budget	(196)
Total General Fund	60,335
General Fund Financing	
Unsupported Borrowing	(11,577)
Capital Receipts	0
Revenue Contribution (use of reserves)	(500)
Grants and Contributions	(48,207)
Amendments Financed by Capital Receipts:	
Sale of Civic Car	(15)
Sell the Artwork held by the Authority	(36)
Total Financing	(60,335)

- 3.2 Draft Prudential Indicators

There are no changes to the draft capital expenditure Prudential Indicator based on the revised 2023/24 draft Investment Plan.

4.0 Equalities Impact Assessment

An Equalities Impact Assessment has been completed and no negative impacts have been identified.

Appendices

Appendix A – 2023-2028 Revised Draft Investment Plan