

North Tyneside Council Report to Council Date: 17 February 2022

Title: 2022-2026 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 2022/23 General Fund Revenue Budget, the proposed Council Tax Level for 2022/23, the Investment Plan for 2022-2027 and the Treasury Management Statement and Annual Investment Strategy for 2022/23

1.0 Introduction - The Recovery Budget

- 1.1 The budget presented by the Conservative Group is a budget for recovery. All Councillors, whether Conservative, Labour or Independent, should be asking themselves throughout the Budget-setting process “What action can we take to help residents’ finances?”. The Conservative budget answers this question. This is in stark contrast to the Budget presented by the Labour Mayor and Cabinet, which again avoids the major issues, blames the Government and hikes Council Tax for everyone across North Tyneside.
- 1.2 The Labour Mayor and Cabinet have again chosen to hike Council Tax by the legal maximum, this Conservative Budget proposal provides a Council Tax rebate of at least £150 for every household across North Tyneside, paid for by a reallocation of Hardship support for those residents on LCTS. This will help all residents recover from Labour’s wilful refusal to freeze Council Tax in recent years.
- 1.3 This budget also includes a discretionary hardship fund of £550,000 to offer additional support with rising energy costs for those on the lowest incomes. Our budget also asks the Mayor and Cabinet to remove the Rent increase for the HRA Tenants for 2022/23 and look for further efficiencies for 2022-23 and beyond that sustain this reduction for Tenants.
- 1.4 At a time when incomes are being squeezed, the Labour Mayor and Cabinet are choosing to spend taxpayers’ money on ludicrous follies. Whether it is £48,000 on giant plasticine men, the chauffeur-driven car used by the Mayor and Cabinet, the £85,000 set aside for Councillors’ expenses, the £1.5 Million Dutch-style roundabout on Rake Lane or the continued publication of the Council Magazine (which the Mayor promised to scrap). The Conservative budget will help North Tyneside recover from this reckless spending.
- 1.5 The Conservative budget brings the Council spending back to basics - fixing our roads and pavements, cleaning up our local environment and dealing with the backlog of tree issues caused by the recent storms. These measures will aid our recovery from almost a decade of Labour neglect.

- 1.6 The Conservative budget will remove charges at recycling centres in North Tyneside to help reduce fly-tipping across the Borough. We have all seen an increase in this in recent months, not only causing public health issues but also making our communities look untidy. Only the Conservatives have a plan to stop this.
- 1.7 Our budget would provide a community warden for each ward in North Tyneside. This would be a seven-day service where wardens would be able to respond rapidly to issues such as graffiti, litter, anti-social behaviour and dog fouling to help our communities recover from Labour's decade of neglect.
- 1.8 Our budget also tackles the skills problem facing North Tyneside. It would introduce a member of staff to oversee Apprenticeship Levy Transfer between businesses in North Tyneside, meaning more funding for apprenticeships in the borough and a more skilled workforce fit for the future.
- 1.9 Bus services in North Tyneside are facing cuts, potentially leaving many residents isolated. The Conservative budget sets aside £80,000 to support our Public Transport, ensuring services are able to recover from Covid and provide essential connectivity across our Borough.
- 1.10 Our coastline is the best in the UK but recently announced plans from Labour make some parts below the standard our residents expect. The Conservative budget includes funding to extend the surface of the Northern Promenade, in the same style as the work already completed. There is also provision to repaint St Mary's lighthouse, undoing years of neglect under the Labour administration which has resulted in the paintwork being discoloured.
- 1.11 The main issue that residents have complained about is the state of our roads and pavements. Under this Labour administration we have seen them worsen, with harrowing stories of pensioners having fallen over with broken bones or worse. Council data shows that only 3% of our footpaths are considered to be 'good'. The Conservative budget is a budget for recovery for our roads and pavements, more than tripling the amount of investment in fixing our roads and pavements with a £4.540m cash injection.
- 1.12 The Conservative budget is balanced. It does not use any of the millions of pounds in reserves held by the Council and contains realistic action to tackle the rising cost of living. The support of the Chancellor, Rishi Sunak, has meant Conservatives in Government are working to tackle the rising cost of living in North Tyneside - and this budget continues that hard work.
- 1.13 Our budget would see our roads and pavements fixed, our local areas maintained by a seven-day service of community wardens, our tree backlog slashed and an end to fly-tipping across our borough. It sets a plan for recovery from Labour's decade of neglect.

This is a budget to tackle the cost-of-living crisis and help North Tyneside recover. We hope all members will support it.

2.0 2022/23 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 and noting the estimated allocation of £184.788m in Dedicated Schools Grant, for 2022/23:

	£
General Fund Revenue Budget	163,512,396
Total	<u>163,512,396</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	11,881,498
Environment Agency	207,371
Total	<u>12,088,869</u>

3. The contingency be set as follows:

	£
Contingency	8,700,371
Total	<u>8,700,371</u>

4. The following individual objections are proposed to be incorporated within the Authority's Budget.

Growth

Item		£m
1.	Extend £150 Energy costs rebate for Council Tax bands E-H, including administration costs	0.940
2.	Invest £0.600m in the Community Wardens for each ward, full time to deal with issues such as ASB	0.600
3.	Double the resourcing of the Arborist Team	0.030
4.	Remove all charges for recycling activities (approx. £0.080m)	0.080
5.	0.5 FTE Post to support the delivery of an Apprenticeship Levy Transfer Scheme	0.026
6.	NEXUS – Local Bus Services	0.080
	If All Objections are accepted the Total Growth will be	1.756

Savings / Income

Item		£m
1.	Sell Civic Car licence registration	(0.001)
2.	Cease publication of the Council magazine	(0.030)
3.	Scrap all expenses for Councillors (approx. £85k)	(0.085)
4.	Reduce by 50% the Trade Union Facility time.	(0.120)
5.	Remove £150 Local Council Tax Hardship Support	(1.520)
	If All Objections are accepted the Total Savings will be	(1.756)

5. Note that at its meeting held on 24 January 2022, Cabinet agreed the Council Tax base for 2022/23 for the whole Authority area as 62,229 (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 2022/23 is £109,720,306, as set out below:

	£	£
2021/22 Budget Requirement		163,512,396
Financed by:		
Revenue Support Grant	(11,796,682)	
Retained Business Rates	(22,814,043)	
Business Rates Top Up	(20,505,024)	
Council Tax Collection Fund Surplus	1,323,659	
		(53,792,090)
Council Tax Requirement		109,720,306

7. Agrees that the following amounts now calculated by the Authority for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):
- (a) £359,434,767 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(2) of the Act.
- (b) £249,714,461 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 31A(3) of the Act.
- (c) £109,720,306 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) £1,763.17 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	1,175.44
B	1,371.35
C	1,567.26
D	1,763.17
E	2,154.98
F	2,546.80
G	2,938.61
H	3,526.34

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 2022/23 the Police and Crime Commissioner for Northumbria have 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	102.56
B	119.65
C	136.75
D	153.84
E	188.03
F	222.21
G	256.40
H	307.68

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

Note that for the year 2022/23 the Tyne and Wear Fire and Rescue Authority have 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	58.23
B	67.94
C	77.64
D	87.35
E	106.76
F	126.17
G	145.58
H	174.70

(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 2022/23 for each part of its area and for each of the categories of dwellings shown below:

Council Tax Band	£
A	1,336.24
B	1,558.94
C	1,781.65
D	2,004.36
E	2,449.77
F	2,895.18
G	3,340.59
H	4,008.72

8. The Authority's relevant basic amount of Council Tax for 2022/23 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 £8.700m as pressures incurred during 2021/22 have been recognised as part of the 2022/23 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 2022-2027 Investment Plan

- 3.1 The Conservative Group recommends the following amendments to the draft 2022-2027 Investment plan for 2022/23.

Project	2022/23 £000
General Fund	
Draft Investment Plan	36,818
Re-Paving Northern Promenade	350
St Mary's Lighthouse and Island	500
Roads and Pavements	4,540
Total General Fund	42,208
General Fund Financing	
Unsupported Borrowing	(13,763)
Capital Receipts	(254)
Revenue Contribution (use of reserves)	(93)
Grants and Contributions	(22,708)
Amendments Financed by Capital Receipts:	
Sale of Civic Car	(15)
Sell 50% of shares held by the Council in Newcastle Airport	(3,915)
Sell surplus employment land 3.08 hectares	(1,425)
Sell artwork held by the Council	(35)
Total Financing	(42,208)

3.2 **Draft Prudential Indicators**

There are changes to the draft Capital Expenditure Prudential Indicator which is reflected in Appendix A table 4.

4.0 **EQUALITIES IMPACT ASSESSMENT**

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

Appendices

Appendix A – Prudential Indicators