

Record of Decisions

Mayor's Response to the Objections to the Revenue Budget 2017/2018

Decision Taker

Mayor on 16 February 2017

Decision

- (i) that the Mayor disagrees with the Council's objections in relation to the Revenue Budget for the reasons set out below; and
- (ii) that the Mayor's original budget proposals presented to Council on 9 February 2017 be recommended to Council, subject to the indicative budget figures for 2018/19 being removed and that these be considered as part of the development of the Revenue Budget for 2018/19, as set out below:
 - (a) that the proposals identified for service change, income generation and efficiencies in 2017/2018, as set out in the proposed Revenue Budget Digest (excluding 2018/2019 indicative figures), be approved;
 - (b) that the net revenue expenditure of £109.642m resulting in a Council Tax requirement of £60.075m for 2017/2018, a 3.99% increase which includes a 2% increase in Council Tax specifically for adult social care be approved;
 - (c) that, in relation to (b) above, the Council's commitment (by a statement signed by the Chief Financial Officer) to allocate the additional funding of £1.155m raised by the 2% increase in Council Tax to adult social care be confirmed;
 - (d) that the Dedicated Schools Grant be used in accordance with the Schools Financial Regulations and that the Chief Finance Officer be authorised to make amendments as required when the final figures are confirmed;
 - (e) that, in accordance with the requirement of the Local Government Act 2003, the advice given by the Chief Finance Officer with respect to the robustness of the budget estimates and the adequacy of the Council's reserves (as set out in the submitted report) be considered and noted; and
 - (f) that it be noted that Brixham Town Council has yet to set its budget for 2017/2018 and this precept, when known, will be included as part of the Torbay Council budget for Council Tax setting purposes.

Reason for the Decision

To respond to the Council's objections to the Revenue Budget for 2017/2018 with reasons as follows:

- (i) and (ii) - the Mayor has recommended that Council Tax should be increased by 3.99% but that the Council does not increase Council Tax by the additional 1% for adult social care which has recently been permitted by the Government. Whilst the Council continues to see economic regeneration in Torbay, our local economy remains fragile, with many

residents on fixed incomes and families struggling to make ends meet. Many people have paid tax on their income over many years and expect the National Health Service to be funded out of National Taxation and should not be paying twice for this.

The additional 1% would not change the Section 151 Officer's qualified opinion in respect of adult social care. However, the Council is working with the Integrated Care Organisation to determine a mutually beneficial resolution that is affordable to all parties whilst maintaining suitable adult social care provision which will alleviate concerns going forward.

(iii) - these proposals have been put forward by the Director of Children Services who has been in extensive dialogue with the shadow Youth Trust and is confident that a youth provision will be delivered going forward.

(iv) - the Council as already decided to support the Air Show (at the Council meeting on 21 July 2016) and the Air Show Working Party has had a number of meetings and is confident of the long term financial benefit of the Air Show.

(v) – the Mayor dismissed the argument put forward as there was no alternative proposal on where this funding could be found.

(vi) - Elected Members should be aware of the workload that the Mayor has and the additional responsibilities that have been taken on by his support staff as a result of the Torbay Development Agency withdrawing its secretarial support for events and other working groups.

(vii) - the Council is expecting to exchange contracts early next week on a significant purchase which will realise the anticipated income proposed.

To implement the decision of the Council in respect of the 2018/2019 proposals.

Implementation

The Mayor's response to the Council's objection will be considered at the Council meeting on 23 February 2017.

Information

At the adjourned Council meeting held on 9 February 2017, the Council formally objected to the Revenue Budget 2017/2018 proposals, as a number of members across all political groups on the Council object to some or all of the following issues:

- i) that the Council should heed the advice of our Chief Executive, Section 151 Officer, the full Senior Leadership Team and the Local Government Association by increasing the Council tax by an additional 1% for adult social care in 2017/18, which is in line with the Government's recommendations. This is to ensure that Torbay Council is able to continue to support vulnerable adults in accordance with the Council's Corporate Plan;
- ii) in light of the funding crisis facing the NHS and adult social care, the Council is very concerned on the Section 151 Officer's qualified opinion in respect of the Adult Social Care expenditure. Therefore, the Council objects to the apparent inadequate provision for the risk share agreement with the Integrated Care Organisation and the potential

costs of withdrawal from the current risk share arrangement from December 2017;

- iii) that the reduction in the Youth Service funding is likely to result in uncertainty for grants given to community led youth service provision and this element of the future provision of youth services should be protected;
- iv) the continued cost to the Council of the Air Show at £100,000;
- v) the £61,000 to reduce grounds maintenance, the impact this will have and the achievability of sponsorship;
- vi) all senior officers share secretarial support and the Mayor should consider the level of his two full time support officers to release resources for priority areas elsewhere in the Council; and
- vii) members believe it is unsafe to increase the expected income from the Investment fund prior to securing the purchase agreed by Council in December 2016 and prior to agreeing a change in the strategy which would be beneficial in supporting the aims of increasing the scope of investment opportunities.

In accordance with the Constitution at F2.9, the Council required the Mayor to consider this objection by 17 February 2017 and either:

- a) submit a revision of the estimates or amounts as amended by the elected Mayor with the reasons for any amendments made to the estimates or amounts, to the Council for its consideration; or
- b) inform the Council of any disagreement that the elected Mayor has with any of the Council's objections and the elected Mayor's reasons for any such disagreement.

The Council also approved the following amendment in relation to 2018/19 budget:

that the Council does not consider or adopt indicative budget figures for 2018/19 at this stage as part of consideration of the Revenue Budget for 2017/18. This will provide officers further opportunity to develop proposals and enable the Overview and Scrutiny Board to examine them in their entirety as part of the 2018/19 budget setting process.

The Mayor considered the recommendations of the Council and his proposed response is set out above.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I024886

Does the call-in procedure apply?

No

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

17 February 2017

Signed: _____
Mayor of Torbay

Date: 16 February 2017