

Budget Speech Lewes District Full Council – 25th February 2015

“Chairman,

Once again we are reconfirming our commitment to another year’s council tax freeze.

That will be the fourth year of tax freezes from our Administration.

As you know we separated our Council Tax Requirement between Special Expenses and General Expenses in the current year.

1 The General Expenses element will remain the same at £172.11 next year.

2 The Special Expenses element reduces to £17.50 from £20.37. This is because of two factors. The first is that we are passing on savings from the new grounds maintenance contract to those Towns and Parishes where special expenses are charged. The second factor is that three Special Expensed sites are being devolved and the running costs of these sites will now be paid for locally within the respective Town or Parish precepts.

The Government reports on Council taxes at the aggregate level of General and Special Expenses. It gathers the data from the statutory return.

The aggregate for next year, produces an average band D tax reduction of 1.5%. This is the headline figure that is reported in the national press.

If we look at the budget report to Cabinet and in particular Appendix E, on page 62 of the Cabinet papers, we can see that over the next 5 years from April 2015 through to March 2020:

Our overall savings target is just under £2.7m.

We have a new source of income from our participation in the East Sussex Business Rates Pool. We have estimated an underlying annual contribution of £200,000. The Director has been prudent with this estimate and it could reach as much as £350,000, depending on the performance of the overall East Sussex Business Rates Pool.

Our total Spending Power reduces over time, mainly because we have been modelling the removal of the Revenue Support grant by 2020.

Also by 2020 the main sources of income to pay for services will be from Council Taxes and the New Homes Bonus.

We are expecting to see a steady decline in the grant we receive to administer Housing Benefit.

As in previous years we have provided a modest budget for use on non-recurring expenditure that will provide funding to the Capital Programme and for service priorities. The amount next year is £241,200. Traditionally this is the pot of money which our opposition makes spending demands on in its alternative budget proposals. I proffer a few words of advice. Local Government finances continue to be squeezed and this district is no exception. We are, in my view a long way from the days of the ‘feel good’ ‘nice to haves’ and I would urge members debating and voting on the amendments to consider

whether what is being proposed is within the definition of what constitutes the Districts core responsibilities going forward.

The Medium Term Budget Outlook demonstrates that the budget will be realigned and completely sustainable for the 2019/2020 financial year.

I would also like to draw your attention to the fact that:

We have delivered our current year's saving target of £596,000. This came mainly from the first phase of the Organisational Development Programme.

Next year's savings target is £611,000. These savings will mainly come from the second phase of the Organisational Development Programme and the introduction of a vacancy rate. We are confident that the savings will be delivered well before the year end. In fact progress is already underway.

We have allocated the majority of the next 2 years New Homes Bonus receipts (£2.25m) into our Customer Service Improvement Programme. This will deliver £1.2m of the savings target.

Our continuing sound financial management means that we have not needed to call upon the New Homes Bonus to support the recurring base budget.

We will use our additional revenue from the East Sussex Business Rates Pool to support economic Development initiatives and to encourage business growth. This will benefit both Lewes District Council and the County Wide business rates pool.

Last week, the Independent Commission on Local Government Finance published its final report. Although the report seems to pose more questions than answers there is a salient section on page 20. It explains that devolution and financial reform need to go hand in hand. It then identifies that the three national and local benefits from reforming the finance system fall into these three categories:

1 Growing the economy

2 Transforming service delivery

3 Strengthening accountability for the spending of public money.

All three benefits are easily related to the initiatives we have implemented.

Generating more money for investing in economic development, through the East Sussex Business Rates Pool;

Investing £2.25 million pounds in the Council's Transforming Service Delivery Programme.

And finally the process of devolution that is now well underway will strengthen local accountability for local services.

Chair, this is the final budget of this four year administrative period.

In real terms we have saved the Council taxpayers of this district around four million pounds through freezing council tax and delivering tough savings targets.

We have already mapped out the route for the next four years in the Medium term Budget Outlook.

The Council's reserves and balances remain healthy and in good shape to meet the even tougher challenges that await the public sector after the national elections.

The Director in this report has provided his independent commentary on the robustness of the estimates and the adequacy of the Council's reserves and I commend the recommendations of Cabinet to you."