



Finance

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Our Ref: MK/SMH/Ratepayers
Your Ref:

Dear

Consultation with Non Domestic Ratepayers 2013/14

Each year, the Council consults with its Non Domestic Ratepayers with regard to its overall financial position, and on its plans for the year ahead. Consultation is made in writing with organisations representing businesses within the Borough.

Gedling Borough Council is facing a further cut of 5.4% in its funding from Central Government in 2013/14, as announced on 19 December 2012, and it is anticipated that further substantial reductions can be expected each and every year until at least 2018/19. This is in addition to the funding cuts of over 28% experienced over the last two years. This will result in a shortfall both in 2013/14 and into the medium term. It is therefore anticipated that Gedling Borough Council's council tax will rise by 1.8%, which equates to £2.71 per year, or 5.2p per week, for a band D property. This rise is substantially below the rate of inflation, which currently stands at 2.7%, and will only apply to Gedling Borough Council's proportion of the Council Tax bill, meaning that the actual increase at bill level is expected to be below 0.3%.

Councillor John Clarke, Leader of the Council, has outlined the Council's intention to maintain top quality services, despite continued budgetary pressures. Spending on front-line services including waste and recycling, street cleaning and parks will be protected. The Council is committed to retaining two hour's free car parking across the borough throughout 2013/14 in recognition of the importance placed on its impact on local shopping centres. It is intended to roll out super-fast broadband in the Borough's rural communities, and it is forecast that an apprenticeship scheme will create job opportunities for young people. Investment of £1.1m is proposed for the Bonington Theatre and Arnold Leisure Centre, to deliver on the Council's commitment to improve the facilities offered.

Over the last year, efficiencies in back-office operations have been introduced, including a reduction in the number of senior managers and a 7% saving in salaries. Further efficiencies totalling £400,000 have been identified for the forthcoming year, 2013/14.

Small numbers of new capital and revenue schemes are proposed for 2013/14. Each of these schemes is either grant funded or self-financing over the life of the scheme, and therefore has no impact on the taxpayer.

On 1 April 2013 the Council Tax Benefit system is being replaced by the Council Tax Reduction Scheme (CTRS). This will be partly funded by Government Grant, at a rate 10% less than that previously available as benefit subsidy, and partly by the introduction of a new tax charge for empty properties. Each authority's CTRS is a "local" scheme, providing a discount on Council Tax bills for eligible applicants. By making the discount equivalent to the benefit payable under the previous system, Gedling's scheme has been designed to ensure protection for the most vulnerable.

As part of the budget consultation, your views on the following questions are sought:

1. Should the Council continue to support economic development activity in the Borough by the provision of two hours free car parking?

Yes / No / Other (please specify)

2. The Council continues to deliver efficiency savings by reviewing the way it operates and provides services. Savings achieved currently average in excess of 3% per annum. Should this be a permanent feature of our budget process?

Yes / No / Should achieve more / Should have a budget target

3. The Council intends to protect parish councils from any loss of income as a result of the introduction of the local Council Tax Reduction Scheme (the replacement for Council Tax Benefit). This will cost £30,000 per year. Do you agree that we should do this?

Yes / No

4. To help maintain services, the Council proposes to raise its own element of the Council Tax by 1.8%. Do you agree that we should do this?

Yes / No / Higher increase / Lower increase

5. Do you have any other comments on the financial management of the Borough Council?

Cabinet is expected to agree its budget recommendations to Council on Thursday 14 February 2013, with Council meeting to decide the budget on Monday 4 March 2013. It would therefore be helpful to receive any responses by Tuesday 12 February 2013. Please address your replies to Mr Mark Kimberley, Corporate Director and Chief Financial Officer, at the above address or email him at mark.kimberley@gedling.gov.uk.

Mark Kimberley
Corporate Director and Chief Financial Officer