

## Budget Committee Meeting 14th January 2021

Report by Michael Hanley.

Hair: D Mc Call.

Present: Councillors: Gordon Nicholson, David Ryland, Sandy Lancaster, Phil Dew, Debra Wicks, Mike Eyles, Peter Baker, Mr McCabe, Michael Hanley

Offices: Lisa Tremble (MO), Vivien Little (officer), Paul Sutton.

### 1. Budget Proposal

This was presented by Paul Sutton (Interim Director of Corporate Services). This is a draught budget for 20-21. In January 20 there were £410k of savings but the pandemic has had a big impact. Budget guidelines have been set out to ensure we have a balanced budget. About 50% of income comes from central local government finances, the rest comes from council tax. There have been tranches of central government money for Covid, the fifth will be added at the first quarter of the new year. The total received will be £3.8 million. Future income is much less certain. Amendments to the new homes bonus will probably be reduced in the future.

Council tax was increased in 20-21 by £5 per year ( to £195 for a band D property). This netted a £104k increase in income. The tax base is expected to remain the same at 20,741. The pandemic has had the effect of increasing local council tax support and reducing collection rates. This is expected to be offset by potential housing growth in the next year.

There is an appendix attached to the paper for this item, on which PS did not comment. This contained the amount spent by EDC on various services. The original budget for leisure services was £401k but this is expected to rise to £1109k due to the pandemic. Public conveniences is £207k rising to £223k. Recycling is expected to drop from £405k to £314k, refuse collection from £859k to £841k, street cleaning from £317k to £297k, tourist information (after income taken into account) from £15k to £14k. The original total expenditure was predicted to be £9,367,000 but is now expected to be £10,541,000.

Phil Dew asked about reserves. PS responded that reserves are high because of Heart of Cumbria corporate planning growth and he would explain that at a later meeting.

Gordon Nicholson: Commented on the council tax. If the tax was increased it would only raise about £100k against an expenditure of £7 million.

David Ryland: Agreed with GN, saying it is the wrong time and would like to find other ways of increasing income.

PD: Agreed saying it is a small amount of money and would be the straw that broke the camels back.

Mike Eyles: said he could see this but the council needed to increase its funds as we needed to maintain our services. We are already having to close some of our toilets and reduce our lighting.

Peter Baker: said that he accepted that an increase in council tax was unwelcome but it's only £5 per year. PD had mentioned a 5% increase, this is not correct as it is a 2% increase. The previous council froze the council tax for four years and the present administration came in to a deficit.

A motion not to support an increase in council tax was passed by 5 votes to 4. A motion to find new ways to raise income was supported.

The next item in the agenda was discussion on The Heart of Cumbria housing project. This was deemed to be confidential and I cannot report on it.

