

My Ref: Petition Budget 12/13
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Dear Mrs Peterson,

Councillor Chapman's office has forwarded on to me your petition regarding the Council's budget for 2012/13. Please find below the response to the issues raised within your petition.

Under the 1992 Local Government Act the Council is required to calculate its budget requirement for each financial year and budget to meet its expenditure after taking into account other sources of income. The 2003 Local Government Act also places an explicit obligation on the Chief Finance Officer (CFO) to report on the robustness of the budget.

Within the legal framework outlined above the City Council's budget has been set in response to a challenging financial situation. Above average cuts in Government funding (7.4% in 2012/13) and other pressures means the City Council has had to take difficult decisions on the kind of services it can continue to provide. A further £20m of reductions will be made in the budget above and beyond those already implemented in the recent past.

Our priorities include supporting jobs and the local economy and protecting services for vulnerable people where it can - although growing numbers of people needing adult care and children in care add further pressure on the council's finances. To meet these pressures the City Council has been looking at how it delivers services and either finding more efficient ways to do so or, in some cases, stopping services where demand has fallen.

The City Council has decided to increase its Council Tax for 2012/13 by 3.4% because it, like a number of other authorities across the country, does not believe that it would be financially responsible to "freeze" council tax at the current level as this would result in significant on-going pressures in future years budgets.

If we had accepted the Government's Council Tax 'freeze' grant for 2012/13 there would have been a significant negative impact on the City Council's budget position for 2013/14 onwards. The Government's proposed Council Tax Freeze Grant for next year would involve a single one-off payment with no further funding locked into future financial settlements. This would have had an adverse future impact on our services and priorities; the City Council would either have had to increase its council tax by c6.0% in 2013/14 or find additional savings of

£3.5m on top of the Medium Term Financial Plan assumptions of a 2.5% Council Tax increase.

For this important reason Nottingham, like a number of Councils across the country including locally Gedling Borough Council, has not accepted the Government's offer to freeze our level of Council Tax in 2012/13.

As part of the budget setting process consultation is carried out with a range of interested parties. For 2012/13 consultation on the budget was conducted in two phases. Before the budget settlement was announced, pre-budget consultation was carried out with citizens and with the voluntary sector. An insert into the residents' magazine, the Arrow, in Autumn 2011 included a survey, which was also available online. In addition, a series of local consultation events were held, attended by local councillors and, where possible, by an Executive Board councillor.

The draft budget was considered by Executive Board on 17 January 2012 and this was followed by further consultation. Due to the need to feedback to the 21 February Executive Board meeting, this consultation could not be run through the Arrow. Instead, citizens were invited to comment via the Council website. Additionally, further local events were arranged and Neighbourhood Management teams publicised these locally. Voluntary sector consultation has continued alongside this as well as consultation with Council colleagues and business.

Appropriate action has been taken in relation to any representations made and feedback from that consultation process has been taken into account in finalising the proposals approved by Full Council on 5th March 2012.

In January this year, the City Council wrote to the Secretary of State, Eric Pickles, explaining the future financial difficulties it would face if it accepted the Government's grant on a one-off basis and asked it to consider funding the freeze on the same basis as 2011/12. The Government has however, responded by saying that they are not willing to change back to the previous system.

I hope that the information provided has been helpful in explaining why the background to the difficult decisions that the Council has had to take in setting the budget for 2012/13. If you require any further information please feel free to contact me again.

Yours sincerely,



Tony Kirkham
Director of Strategic Finance

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