

**REPORT TO:** Executive Board  
**DATE:** 21 February 2019  
**REPORTING OFFICER:** Operational Director – Finance  
**SUBJECT:** Budget 2019/20  
**PORTFOLIO:** Resources  
**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 To recommend to Council the budget, capital programme and council tax for 2019/20.

## **2.0 RECOMMENDATION: That**

- 1) Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £108.621m, the Council Tax requirement of £49.597m (before Parish, Police, Fire and LCR Combined Authority precepts) and the Band D Council Tax for Halton of £1,419.08;**
- 2) From 1 April 2019 the level of Empty Homes Premium on dwellings that have been unoccupied for more than 2 years be increased to 100%.**

## **3.0 SUPPORTING INFORMATION**

### **Medium Term Financial Strategy**

3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 15 November 2018. In summary, funding gaps of around £9.8m in 2019/20, £8.2m in 2020/21 and £3.3m in 2021/22 were identified. The Strategy had the following objectives:

- Deliver a balanced and sustainable budget
- Prioritise spending towards the Council's priority areas
- Avoid excessive Council Tax rises
- Achieve significant cashable efficiency gains
- Protect essential front line services and vulnerable members of the community
- Deliver improved procurement

## **Budget Consultation**

- 3.2 The Council uses various consultation methods to listen to the views of the public and Members' own experience through their ward work is an important part of that process.
- 3.3 Individual consultations are taking place in respect of specific budget proposals and equality impact assessments will be completed where necessary.

## **Review of the 2018/19 Budget**

- 3.4 The Executive Board receives regular reports summarising spending in the current year against the budget. The latest report indicates that spending may be over budget in the current year by approximately £4.2m against a net budget of £109.2m. The main reason for the projected overspend is the continued significant pressure in respect of Childrens' Social Care costs. The Community and Environment Department is also experiencing significant financial pressures, primarily due to shortfalls in various areas of income. The potential overspend is a worst case scenario, as various actions are being taken to mitigate the impact of these pressures and bring net spending back in line with budget as far as possible. A review of reserves is also being undertaken to consider options to assist with funding the overspend. The general reserve balance is current around £5.0m, equivalent to approximately 4.6% of the net budget for 2019/20, which is considered a prudent level. Any overspend would reduce the level of the general reserve, however the actions being taken should help to mitigate the impact.

## **2019/20 Budget**

- 3.5 On 12 December 2018 Council approved initial budget savings for 2019/20 totalling £4.653m and further proposed savings are shown in Appendix B.
- 3.6 The proposed budget totals £108.621m. The departmental analysis of the budget is shown in Appendix C and the major reasons for change from the current budget are shown in Appendix D.
- 3.7 The proposed budget incorporates the grant figures announced in the Local Government Grant Settlement. It includes £2.381m for the New Homes Bonus 2019/20 grant. This is an increase of £0.229m from the grant level for 2018/19. It also includes Improved Better Care Funding (IBCF) of £5.233m; this is the third year of IBCF funding, it is an increase of £2.188m from the second year and is funded through the Liverpool City Region pilot scheme for business rate retention. There is additional Better Care Funding of £0.904m included in the budget which was announced as part of the 2017 Spring Budget. This funding has been paid over three years and the financial forecast does not

expect this to continue beyond 2019/20. Like the IBCF this will be funded through business rates retention.

- 3.8 Announced in the Government's 2018 Autumn Budget was additional funding for both Adults and Children's Social Care. Included within the Council's 2019/20 budget will be grant funding of £0.639m for dealing with winter care pressures within Adult Social Care and £1.092m for wider social care measures. This funding will be included in the Council budget for Children's Social Care to help fund existing pressures within the Service.
- 3.9 Announced at the time of the 2019/20 provisional finance settlement was one-off funding of £0.545m relating to a surplus generated on the national business rate retention levy account. Government allocated these funds nationally based on percentage shares of Councils Settlement Funding Assessments.
- 3.10 Pay rates for 2018/19 and 2019/20 have been agreed and the budget provides for the increased cost of these pay awards, including the additional element for changes to the bottom tiers of the pay spine.
- 3.11 The main risk to the Council's budget over the next year continues to be children in care costs within the Children and Families Department. The additional £1.092m Government grant will help towards meeting additional costs and initiatives are developing to help control and reduce costs where possible. In an aim to reduce costs relating to out of borough residential placements and fostering, plans are in place for the Council to increase the number of in-house foster carers. The Council have joined a collaborative fostering service with Cheshire West and Chester, Cheshire East and Warrington Councils. The aim being to increase the number of foster carers and improve the quality of service offered across all authorities. In December, the Council's Executive Board approved granting 100% council tax discount to all foster carers within the Borough from April 2019.
- 3.12 Government have reacted to Local Government's increasing costs associated with the aging population, by providing an additional £0.639m to Halton in both 2018/19 and 2019/20 to help deal with the pressures over the Winter period. Whilst this is welcome it doesn't address the wider financial issues on Adult Social Care services. The budget provides for above inflation increases to help meet the cost of the national living wage within Social Care provider contracts. The Council continues to work closely with Halton Clinical Commissioning Group (HCCG) and to help deal with the current year's financial pressures a Financial Recovery Action Plan was instigated and a Working Group established to identify ways of mitigating the budget pressures. The Working Group continues to look at ways of reducing spend whilst ensuring the needs of clients continue to be met

- 3.13 It is considered prudent for the budget to include a general contingency of £1.0m. At this stage it is considered sufficient to cover the potential for price changes, increases in demand led budgets, as well as a general contingency for uncertain and unknown items.
- 3.14 The Local Government Act 2003 places a requirement on the Chief Financial Officer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. In my view the budget setting process and the information provided should be sufficient to allow the Council to come to an informed view regarding the 2019/20 budget, capital programme and council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.

### **Local Government Finance Settlement**

- 3.15 The Government announced on 29 January 2019 the 2019/20 Final Local Government Finance Settlement, which was broadly in line with the Provisional Settlement announced on 13 December 2018.
- 3.16 As part of the Liverpool City Region, the Council will continue to participate in a pilot scheme of 100% business rates retention. Government have reiterated the pilot scheme will operate under a “No Detriment” policy, in that no council operating as part of the pilot will see a reduction in their funding in comparison to what it would have received under the 49% national scheme. The pilot will result in additional business rates being retained by the Council although offset by Revenue Support and Better Care Fund grants no longer being received.
- 3.17 From 2020/21 the Business Rates Retention Scheme will be amended on a national basis, with the level of retained rates for each Council being set at 75%. In conjunction with this Government will undertake a review of needs and resources of Local Government, the first review since April 2013 and will also reconsider the business rate “baselines” for each council. The following two consultations were issued on 13 December 2018 to which the Council will respond both individually and as part of joint responses by Sigoma and the Liverpool City Region.
- Fair Funding Review - “A review of local authorities’ relative needs and resources - Technical consultation on the assessment of local authorities’ relative needs, relative resources and transitional arrangements.”
  - Business Rates Retention – “Business Rates Retention Reform - Sharing risk and reward, managing volatility and setting up the reformed system.”

- 3.18 For 2019/20 the Council's total Government Settlement Funding Allocation is £51.002m. This is made up of £46.106m Business Rates Baseline Funding and Top-Up grant of £4.896m. The reduction in the Settlement Funding Assessment from 2018/19 is £1.680m or 3.2%
- 3.19 The Government's Spending Power analysis calculates that over the period 2011/12 to 2019/20, in cash terms there has been a reduction in funding for Halton of £34.4m or 24.6%. This compares with a national average reduction over the same period of 15.7%.
- 3.20 The Council is required to provide an annual forecast of business rates to Government by the end of January of the preceding year. The forecast has been undertaken and the Council expect net collectable rates to be £51.007m for 2019/20. This is before allowing £4.409m set aside to fund the cost of any potential deficit which may exist within the Liverpool City Region business rate pilot scheme.
- 3.21 As far as non-domestic premises are concerned, the multiplier rate is fixed centrally by Government and then applied to each premises' rateable value. For 2019/20 the multiplier rate has been set at 50.4p in the pound and 49.1p in the pound for small businesses.
- 3.22 Government has announced a new 2019/20 relief scheme for retail properties that have a rateable value of below £51,000. Under the scheme, eligible ratepayers will receive a one third discount of their annual chargeable amount.
- 3.23 The 2015 Spending Review announced that for the remainder of the current Parliament, local authorities responsible for Adult Social Care will be given the flexibility to place a precept on council tax, to be used towards the funding shortfall for Adult Social Care. This was offered in recognition of increased pressure on Council budgets due to Adult Social Care demographic changes and cost increases such as the National Living Wage.
- 3.24 In 2016/17 the Council set an Adult Social Care precept level of 2%. For the three years from 2017/18 to 2019/20 Government extended the flexibility in order that councils could apply a further precept of up to 6% over the period, with a limit of 3% being in place for the first two years and a limit of 2% for 2019/20. In 2017/18 and 2018/19 the Council set Adult Social Care precept levels of 3% in each of the years. No further increase can therefore be applied to the precept for 2019/20.

### **Budget Outlook**

- 3.25 Beyond 2019/20 there is great uncertainty regarding the funding of Local Government, due to the potential impact of a number of changes to the local government funding regime and other associated areas. There is therefore more uncertainty regarding the Council's funding

resources in 2020/21 than there has been at any point during the last 10 years.

3.26 The impact of the following developments will have to be assessed when considering the 2020/21 budget and beyond. Further information will be known as we progress through the next year:

- Fair Funding Review – A review of how cumulative Local Government funding should be apportioned between Councils. The last review was in April 2013 and since then reductions made to Local Government funding have been made on a percentage basis. This has had the impact of protecting those authorities less reliant on Government grant funding with those councils who are more reliant (such as Halton) have had to deal with the larger reductions in funding on a per capita basis.
- 75% Business Rate Retention – Government have confirmed that from 2020/21 the percentage share of retained rates at a local level will be 75%. It is unclear how this will impact on pilot authorities, such as Halton, if they will continue at 100% or switch to 75% retention.
- Business Rates Baseline Reset – It is proposed there will be a reset of the business rates baseline in April 2020, which could work against Halton and similar authorities who have seen significant growth in business rates since the current baseline was set in 2013. It is not yet known if there will be a transition process put in place to protect authorities from excessive losses in funding from an increase to the baseline position.
- 2019 Public Spending Review – The next medium term review of public spending for the period from 2020 is expected to be announced in 2019.
- Pension Triennial Review – The next pension review will take effect from April 2020.
- Social Care Green Paper – This was expected to be announced by Government in the Summer of 2018 but has been delayed. It is uncertain what impact this will have on the future of Local Government funding.

3.27 The Medium Term Financial Strategy has been updated to take into account the 2019/20 Local Government Finance Settlement, multi-year allocations and saving measures already agreed or proposed.

3.28 The resulting funding gap over the subsequent three financial years (2020/21 to 2022/23) is forecast to be in the region of £26.104m. The approach to finding these savings will be the continuation of the budget strategy of:

- Progressing the Efficiency Programme.
- Reviewing the portfolio of land and assets, including the use of buildings, in accordance with the Accommodation Strategy.
- Continuing to seek improved procurement.
- Reviewing terms and conditions of staff (subject to negotiation).

- Offering staff voluntary early retirement and voluntary redundancy under the terms of the Staffing Protocol.
- Reducing the cost of services either by reducing spend through greater efficiency or increasing income.
- Partnership working, collaboration and sharing of services with other councils and other organisations.
- Ceasing to deliver certain lower priority services.
- Increase the level of the council tax and business rate base position.

### **Halton's Council Tax**

- 3.29 The Government no longer operate council tax capping powers, but instead there is a requirement for councils to hold a local referendum if they propose to increase council tax by more than a percentage threshold prescribed by the Government.
- 3.30 The Government have confirmed the council tax referendum threshold at 3% for 2019/20.
- 3.31 On 12 December 2018 the Council's Executive Board agreed council tax premiums for empty properties be applied as follows:
- From 1 April 2019, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished for more than two years.
  - From 1 April 2020, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, and 200% premium for dwellings unoccupied for more than five years.
  - From 1 April 2021, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, 200% for dwellings unoccupied between five and ten years, and 300% for properties unoccupied for more than ten years.
- 3.32 The tax base (Band D equivalent) for the Borough has been set by Council at 34,950.
- 3.33 The combined effect of the budget proposals presented within this report, Government grant support, business rate retention and the council tax base, requires the Council to set a Band D council tax for Halton of £1,419.08 (equivalent to £27.29 per week), in order to deliver a balanced budget for 2019/20 as required by statute. This is an increase of 2.99% (£41.20 per annum or £0.79 per week) over the current year.

### Parish Precepts

- 3.34 The Parish Councils have set their precepts for the year as shown below, with the resultant additional Council Tax for a Band D property in these areas being as follows:

|               | Precept | Precept Increase |       | Additional Council Tax | Basic Council Tax |
|---------------|---------|------------------|-------|------------------------|-------------------|
|               | £       | £                | %     | £                      | £                 |
| Hale          | 43,225  | 0                | 0%    | 65.49                  | 1,484.57          |
| Daresbury     | 4,935   | 235              | 5.0%  | 28.53                  | 1,447.61          |
| Moore         | 4,752   | 226              | 5.0%  | 14.44                  | 1,433.52          |
| Preston Brook | 11,788  | 458              | 4.0%  | 32.84                  | 1,451.92          |
| Halebank      | 20,905  | 3,797            | 22.2% | 39.74                  | 1,452.82          |
| Sandymoor     | 32,559  | 3,444            | 11.8% | 26.78                  | 1,445.86          |

### Average Council Tax

- 3.35 In addition, it is also necessary to calculate the average Council Tax for the area as a whole. This is the figure required by Government and used for comparative purposes. For a Band D property the figure is £1,442.46, an increase of £41.39 per annum.

### Police Precept

- 3.36 The Cheshire Police and Crime Commissioner has set the precept on the Council at £7.005m which is £200.44 for a Band D property, an increase of £24.00 or 13.6%. The figures for each Band are shown in Recommendation 5 in Appendix A.

### Fire Precept

- 3.37 The Cheshire Fire Authority has set the precept on the Council at £x.xxm which is £xx.xx for a Band D property, an increase of £x.xx or x.xx%. The figures for each Band are shown in Recommendation 6 in Appendix A.

### Liverpool City Region Mayoral Precept

- 3.38 The Liverpool City Region Combined Authority has set the precept on the Council at £0.664m which is £19.00 for a Band D property, 2019/20 being the first year a precept has been applied by the authority. The figures for each Band are shown in Recommendation 7 in Appendix A.



## Total Council Tax

- 3.39 Combining all these figures will give the Total Council Tax for 2019/20 and these are shown in Recommendation 8 in Appendix A. The total Band D Council Tax (before Parish precepts) is £x,xxx.xx an increase of £xx.xx or x.xx%. The inclusion of parish precepts means the increase in Hale is x.xx%, in Daresbury is x.xx%, in Moore is x.xx%, in Preston Brook is x.xx%, in Halebank is x.xx% and in Sandymoor is x.xx%.
- 3.40 It is expected that Halton's total council tax will continue to be amongst the lowest in the North West. Given that nearly half of all properties in the Borough are in Band A, and also 82% of properties are in Bands A-C, most households will pay less than the "headline" figure. In addition, many households will receive reduced council tax bills through discounts, and these adjustments will be shown on their bills.
- 3.41 A complex set of resolutions, shown in Appendix A, needs to be agreed by Council to ensure that the Budget and Council Tax level are set in a way which fully complies with legislation, incorporating changes required under the Localism Act 2012.

## Capital Programme

- 3.42 The following table brings together the existing capital programme spend and shows how the capital programme will be funded.

|                           | 2019/20          | 2020/21          | 2021/22         |
|---------------------------|------------------|------------------|-----------------|
|                           | £000             | £000             | £000            |
| <u>Spending</u>           |                  |                  |                 |
| Scheme estimates          | 20,364.70        | 5,847.50         | 5,098.00        |
| Slippage between years    | 556.60           | 4,448.30         | 2,903.40        |
|                           | <u>20,921.30</u> | <u>10,295.80</u> | <u>8,001.40</u> |
| <u>Funding</u>            |                  |                  |                 |
| Borrowing and Leasing     | 10,590.80        | 2,659.60         | 2,643.00        |
| Grants and External Funds | 5,775.90         | 1,228.90         | 586.00          |
| Direct Revenue Finance    | 272.00           | 0.00             | 0.00            |
| Capital Receipts          | 3,726.00         | 1,959.00         | 1,869.00        |
| Slippage between years    | 556.60           | 4,448.30         | 2,903.40        |
|                           | <u>20,921.30</u> | <u>10,295.80</u> | <u>8,001.40</u> |

- 3.43 The committed Capital Programme is shown in Appendix F.
- 3.44 As the Capital Programme is fully committed, there are no funds available for new capital schemes unless external funding is available or further savings are identified to cover capital financing costs.

## **Prudential Code**

- 3.45 The Local Government Act 2003 introduced the Prudential Code which provides a framework for the self-regulation of capital expenditure. The key objectives of the Code are to ensure that the Council's:
- capital expenditure plans are affordable;
  - external borrowing is within prudent and sustainable levels;
  - treasury management decisions are taken in accordance with good professional practice; and
  - there is accountability through providing a clear and transparent framework.
- 3.46 To demonstrate that councils have fulfilled these objectives, the Prudential Code sets out a number of indicators which must be used. These are included in the Treasury Management Strategy report elsewhere on the Agenda. The prudential indicators are monitored throughout the year and reported as part of the Treasury Management monitoring reports to the Executive Board.

## **School Budgets**

- 3.47 Schools are fully funded by Government Grants, primarily the Dedicated Schools Grant (DSG) which is mainly used to fund the Individual School Budgets. DSG is now allocated in four blocks; Schools Block, Central Schools Services Block, Early Years Block and High Needs Block. The funding is allocated to schools by way of a formula in accordance with the National Funding Formula introduced in 2018/19 with transitional protection.
- 3.48 Schools Block pupil numbers in mainstream primary and secondary schools have increased from 17,957 for 2018/19 to 18,148 for 2019/20. Funding for mainstream primary and secondary schools is based on the pupil cohort on the October 2018 census. The DSG settlement was announced on 17 December 2018 giving a total of £86,931,157 for the Schools Block for 2019-20. This includes an amount of £475,302 for 'growth funding'. Overall funding for the Schools Block has increased from £83.897m to £86,931m.
- 3.49 The Central Schools Services Block (CSSB) was split from the Schools Block for the first time in 2018/19, following the introduction of the ring-fenced requirement for the Schools Block to be wholly passed to primary and secondary schools, with the exception of the 1% to High Needs (which at the time of writing the report approval for the 1% transfer is awaited from DfE). There are regulations in place which limit what the CSSB grant can be used for and limit budgets to the same level as previous years. The CSSB includes budgets that are

de-delegated from maintained schools. As more schools convert to academy status, so the de-delegated funds are reduced, unless schools are asked to contribute a higher amount.

- 3.50 The Early Years Block allocation for 2018/19 was £9.479m and the indicative Early Years Block grant for 2019/20 is £9.629m. The hourly rate the Council are funded at, as opposed to the hourly rate we pay providers, is reducing slightly from £5.13 per hour to £5.12 per hour.
- 3.51 The High Needs Block for 2018/19 was £16.189m which increases to £16.771m for 2019/20. However, from this figure the Council will have £2.907m recouped by the Department for Education for commissioned places in special academies & independent special schools, leaving £13.864m available.
- 3.52 Following consultation with schools and with Schools Forum agreement, a disapplication request was submitted to the DfE to transfer 1% from the Schools Block to the High Needs Block, totalling £869,311. At the time of writing the Council has not been informed if the submission has been accepted or refused.
- 3.53 As in previous years, at the time of writing the High Needs block budget has not been calculated and will not be finalised until March 2019. However, at the moment there is an estimated budget requirement of £14,706,911 (after recoupment), resulting in a funding gap of £842,884.
- 3.54 The DfE announced on 16 December 2018 that an additional £250M would be passed to local authorities over two years (2018-19 and 2019-20) as additional funding for the High Needs Block. It has been allocated based on the ONS projections for the 2 to 18 year old population in each local authority. The allocation for Halton is £296,390 for each year, a total of £592,780 over the two years. The additional funding for 2019-20 will reduce the funding gap to £546,494. The 1% transfer from Schools Block of £869,311 will then give a surplus of £322,817. For 2018/19 there is a deficit balance in the region of £753,787 leaving an overall net deficit of £430,970.
- 3.55 The Minimum Funding Guarantee has been agreed by Schools Forum to continue at minus 1.5% as in previous years.
- 3.56 The Pupil Premium remains at £1,320 per Primary pupil who are or have been eligible for Free School Meals in the last six years. For Secondary pupils this remains at £935 per pupil. Children who have been adopted from care and children who leave care under a special guardianship order or residence order will be funded at £2,300 per pupil. Eligibility for the Service Children Premium remains at £300 per pupil. The amount for Looked after Children which comes to the Council for distribution is £2,300 per pupil. The Pupil Premium will be added to school budgets on top of the Minimum Funding Guarantee.

## **4.0 POLICY IMPLICATIONS**

- 4.1 The Council's budget will support the delivery of all of the Council's services.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 The financial implications relating to the Council's budget are as set out within the report and appendices.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

The budget will support the Council in achieving the aims and objectives set out in the Community Strategy for Halton and the Council's Corporate Plan and has been prepared in consideration of the priorities listed below.

- 6.1 **Children and Young People in Halton**
- 6.2 **Employment, Learning and Skills in Halton**
- 6.3 **A Healthy Halton**
- 6.4 **A Safer Halton**
- 6.5 **Halton's Urban Renewal**

## **7.0 RISK ANALYSIS**

- 7.1 The budget is prepared in accordance with detailed guidance and timetable to ensure the statutory requirements are met and a balanced budget is prepared that aligns resources with corporate objectives.
- 7.2 A number of key factors have been identified in the budget and a detailed risk register has been prepared. These will be closely monitored throughout the year and the Contingency and the Reserves and Balances Strategy will help to mitigate the risks.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

- 8.1 Equality Impact Assessments will be undertaken in relation to the individual savings proposals as required.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

| <b>Document</b>                                   | <b>Place of Inspection</b>          | <b>Contact Officer</b> |
|---|-------------------------------------|------------------------|
| Local Government Finance Report (England) 2019/20 | Financial Management Kingsway House | Steve Baker            |

**10.0 REASON FOR THE DECISION**

10.1 To seek approval for the Council's revenue budget, capital programme and council tax for 2019/20.

**11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

11.1 In arriving at the budget saving proposals set out in Appendix B, numerous proposals have been considered, some of which have been deferred pending further information or rejected.

**12.0 IMPLEMENTATION DATE**

12.1 6 March 2019.

## APPENDIX A

### DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL AT ITS MEETING ON 06 March 2019

**RECOMMENDATION:** that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the budget and council tax for 2019/20, the savings set out in Appendix B and the Capital Programme set out in Appendix F.
2. That it be noted that at the meeting on 12 December 2018 the Council agreed the following:
  - (a) The Council Tax Base 2019/20 for the whole Council area is 34,950 (item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act) and
  - (b) For dwellings in those parts of its area to which a Parish precept relates, be set out as follows:

| Parish        | Tax Base |
|---------------|----------|
| Hale          | 660      |
| Daresbury     | 173      |
| Moore         | 329      |
| Preston Brook | 359      |
| Halebank      | 526      |
| Sandymoor     | 1,216    |

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which special items relate.

3. Calculate that the Council Tax requirement for the Council's own purposes for 2019/20 (excluding Parish precepts) is £49,596,846.
4. In accordance with the relevant provisions of the Local Government Finance Act 1992 (Sections 31 to 36), the following amounts be now calculated by the Council for the year 2019/20 and agreed as follows:
  - (a) £384,739,650 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the said Act, taking into account all precepts issued to it by Parish Councils.

- (b) £335,024,640– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £49,715,010 – being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31A(4) of the Act).
- (d) £1,422.46– being the amount at 3(c) above (item R), all divided by item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £118,164 – being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act, each individual Parish precept being:

|               | £      |
|---------------|--------|
| Hale          | 43,225 |
| Daresbury     | 4,935  |
| Moore         | 4,752  |
| Preston Brook | 11,788 |
| Halebank      | 20,905 |
| Sandymoor     | 32,559 |

- (f) £1,419.08 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (g) Part of the Council's Area

|               | £     |
|---------------|-------|
| Hale          | 65.49 |
| Daresbury     | 28.53 |
| Moore         | 14.44 |
| Preston Brook | 32.84 |
| Halebank      | 39.74 |
| Sandymoor     | 26.78 |

being the amounts given by adding to the amounts at 3(e) above the amounts of the special item or items relating to dwellings in

those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings of its area to which one or more special items relate.

(h) Part of the Council's Area

| Band     | Hale            | Daresbury       | Moore           | Preston Brook   | Halebank        | Sandymoor       | All other Parts of the Council's Area |
|----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------------------------|
|          | £               | £               | £               | £               | £               | £               | £                                     |
| A        | 989.71          | 965.07          | 955.68          | 967.94          | 972.55          | 963.90          | 946.05                                |
| B        | 1,154.67        | 1,125.92        | 1,114.96        | 1,129.27        | 1,134.64        | 1,124.55        | 1,103.73                              |
| C        | 1,319.62        | 1,286.76        | 1,274.24        | 1,290.59        | 1,296.73        | 1,285.20        | 1,261.40                              |
| <b>D</b> | <b>1,484.57</b> | <b>1,447.61</b> | <b>1,433.52</b> | <b>1,451.92</b> | <b>1,458.82</b> | <b>1,445.86</b> | <b>1,419.08</b>                       |
| E        | 1,814.48        | 1,769.30        | 1,752.08        | 1,774.56        | 1,783.01        | 1,767.16        | 1,734.43                              |
| F        | 2,144.38        | 2,090.99        | 2,070.65        | 2,097.21        | 2,107.19        | 2,088.46        | 2,049.78                              |
| G        | 2,474.29        | 2,412.68        | 2,389.21        | 2,419.86        | 2,431.37        | 2,409.76        | 2,365.13                              |
| H        | 2,969.14        | 2,895.21        | 2,867.05        | 2,903.83        | 2,917.65        | 2,891.71        | 2,838.16                              |

being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. It is further noted that for the year 2019/20 the Cheshire Police and Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:



|          | £             |
|----------|---------------|
| A        | 133.63        |
| B        | 155.90        |
| C        | 178.17        |
| <b>D</b> | <b>200.44</b> |
| E        | 244.98        |
| F        | 289.52        |
| G        | 334.07        |
| H        | 400.88        |

6. It is further noted that for the year 2019/20 the Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with the Local Government Act 2003 for each of the categories of dwellings shown below:

|          | £        |
|----------|----------|
| A        | ?        |
| B        | ?        |
| C        | ?        |
| <b>D</b> | <b>?</b> |
| E        | ?        |
| F        | ?        |
| G        | ?        |
| H        | ?        |

7. It is further noted that for the year 2019/20 the Liverpool City Region Combined Authority have stated the following amounts in precepts issued to the Council, in accordance with the Local Government Act 2003 for each of the categories of dwellings shown below:

|          | £            |
|----------|--------------|
| A        | 12.67        |
| B        | 14.78        |
| C        | 16.89        |
| <b>D</b> | <b>19.00</b> |
| E        | 23.22        |
| F        | 27.44        |
| G        | 31.67        |
| H        | 38.00        |

8. That, having calculated the aggregate in each case of the amounts at 4h, 5, 6 and 7 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following

amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below:

| Band     | Hale     | Daresbury | Moore    | Preston Brook | Halebank | Sandymoor | All other Parts of the Council's Area |
|----------|----------|-----------|----------|---------------|----------|-----------|---------------------------------------|
|          | £        | £         | £        | £             | £        | £         | £                                     |
| A        | ?        | ?         | ?        | ?             | ?        | ?         | ?                                     |
| B        | ?        | ?         | ?        | ?             | ?        | ?         | ?                                     |
| C        | ?        | ?         | ?        | ?             | ?        | ?         | ?                                     |
| <b>D</b> | <b>?</b> | <b>?</b>  | <b>?</b> | <b>?</b>      | <b>?</b> | <b>?</b>  | <b>?</b>                              |
| E        | ?        | ?         | ?        | ?             | ?        | ?         | ?                                     |
| F        | ?        | ?         | ?        | ?             | ?        | ?         | ?                                     |
| G        | ?        | ?         | ?        | ?             | ?        | ?         | ?                                     |
| H        | ?        | ?         | ?        | ?             | ?        | ?         | ?                                     |

being satisfied that:

- (a) The total amount yielded by its Council Taxes for the said financial year will be sufficient, so far as is practicable, to provide for items mentioned at 4(a) to (c) above; and, to the extent that they are not, to be provided for by any other means.
  - (b) Those amounts which relate to a part only of its area will secure, so far as is practicable, that the precept or portion of a precept relating to such part will be provided for only by the amount yielded by such of its Council Taxes as relate to that part.
8. The Operational Director Finance be authorised at any time during the financial year 2019/20 to borrow on behalf of the Council by way of gross bank overdraft such sums as he shall deem necessary for the purposes of this paragraph, but not such that in any event the said overdraft at any time exceeds £10m on an individual bank account (£0.5m net across all bank accounts) as the Council may temporarily require.

**APPENDIX B****SAVINGS PROPOSALS – 2<sup>nd</sup> SET**

|  | DIVISION / SERVICE AREA                                 | DESCRIPTION OF PROPOSAL  | TOTAL BUDGET<br>£'000 | ESTIMATED BUDGET SAVING |                  | PERM TEMP<br>(P/T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED<br>(M / D) |
|--|---|--|-----------------------|-------------------------|------------------|--------------------|--|
|  |   |  |                       | 2019/20<br>£'000        | 2020/21<br>£'000 |                    |  |
| <b>PEOPLE DIRECTORATE</b>              |   |  |                       |                         |                  |                    |  |
| <b>INCOME GENERATION OPPORTUNITIES</b> |   |  |                       |                         |                  |                    |  |
| 1                                      | Adult Social Care Department                            | Service provision to other local authorities.                              | N/A                   | 100                     | -100             | T                  | D  |
| <b>EFFICIENCY OPPORTUNITIES</b>        |   |  |                       |                         |                  |                    |  |
| 2                                      | Adult Social Care Department                            | One-off saving from efficiencies made in the previous year.                | 500                   | 500                     | -500             | T                  | D  |
| 3                                      | Adult Social Care Department                            | Deletion of a vacant Commissioning Manager post.                           | 61                    | 61                      | 0                | P                  | M  |
| 4                                      | Children & Families Dept / Childrens' Locality Services | Review of how Childrens' Centre provision is delivered across the Borough. | 362                   | 200                     | 0                | P                  | D  |

|  | DIVISION / SERVICE AREA                                       | DESCRIPTION OF PROPOSAL  | TOTAL BUDGET | ESTIMATED BUDGET SAVING |                  | PERM TEMP<br>(P/T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED<br>(M / D) |
|--|---|--|--------------|-------------------------|------------------|--------------------|--|
|  |   |  | £'000        | 2019/20<br>£'000        | 2020/21<br>£'000 |                    |  |
| <b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE</b> |   |  |              |                         |                  |                    |  |
| <b>SHARED SERVICES / PARTNERSHIP ARRANGEMENTS</b>        |   |  |              |                         |                  |                    |  |
| 5  | ICT & Support Services Dept                                   | Additional income from the provision of ICT services to other councils and external organisations. | N/A          | 250                     | 0                | P                  | D  |
| <b>EFFICIENCY OPPORTUNITIES</b>                          |   |  |              |                         |                  |                    |  |
| 6  | Legal & Democratic Services Dept / Marketing & Communications | Deletion of a vacant 0.5fte Design Assistant post from the Communications and Marketing Team.      | 313          | 15                      | 0                | P                  | D  |
| 7  | Finance Dept / Revenues and Financial Management Div          | Deletion of a vacant Revenues Officer post in the Council Tax Team.                                | 500          | 23                      | 0                | P                  | M  |
| 8  | PP&T Dept/ Logistics Div                                      | Reduction in the vehicle parts budget achieved as a result of efficiency measures.                 | 273          | 10                      | 0                | P                  | D  |
| 9  | PP&T Dept/ Logistics Div                                      | Reduction in costs from bringing certain external transport contracts in-house.                    | 946          | 20                      | 0                | P                  | D  |

|  | DIVISION / SERVICE AREA | DESCRIPTION OF PROPOSAL   | TOTAL BUDGET<br>£'000 | ESTIMATED BUDGET SAVING |                  | PERM TEMP<br>(P/T) | MANDATORY OR DISCRETIONARY SERVICE AFFECTED<br>(M / D) |
|--|-------------------------|---|-----------------------|-------------------------|------------------|--------------------|--|
|  |                         |   |                       | 2019/20<br>£'000        | 2020/21<br>£'000 |                    |  |
| <b>CORPORATE</b>                         |                         |   |                       |                         |                  |                    |  |
| <b>OTHER BUDGET SAVINGS</b>              |                         |   |                       |                         |                  |                    |  |
| 10                                       | Corporate               | Utilisation of monies identified from regular audits of direct payments funding.  | 10,500                | 300                     | 0                | P                  | M  |
| 11                                       | Corporate               | Release of the LCR business rates pilot reserve held in case any of the councils failed to generate their baseline level of business rates. | 2,428                 | 2,428                   | -2,428           | T                  | D  |
| 12                                       | Corporate               | Additional one-off grant funding received from Government from the distribution of surplus business rates levy and safety net funding.      | n/a                   | 540                     | -540             | T                  | D  |
| 13                                       | Corporate               | Additional New Homes Bonus grant received.  | n/a                   | 150                     | 0                | P                  | D  |
| <b>TOTAL PERMANENT SAVINGS</b>           |                         |   |                       | 1,029                   | 0                |                    |  |
| <b>TOTAL TEMPORARY (ONE-OFF) SAVINGS</b> |                         |   |                       | 3,568                   | -3,568           |                    |  |
| <b>GRAND TOTAL</b>                       |                         |   |                       | 4,597                   | -3,568           |                    |  |

**APPENDIX C****DEPARTMENTAL OPERATIONAL BUDGETS****£000****People Directorate**

|                                   |               |
|-----------------------------------|---------------|
| Children and Families Service     | 20,022        |
| Education, Inclusion & Provision  | 4,786         |
| Adult Social Care                 | 16,837        |
| Complex Care Pooled Budget        | 21,978        |
| Public Health & Public Protection | -62           |
|                                   | <hr/>         |
|                                   | <b>63,561</b> |

**Enterprise, Community & Resources Directorate**

|  |               |
|--|---------------|
| Finance                                  | 6,554         |
| Policy, Planning & Transportation        | 9,327         |
| ICT & Support Services                   | 7,902         |
| Legal & Democratic Services              | 1,866         |
| Policy, People, Performance & Efficiency | 1,882         |
| Community and Environment                | 13,868        |
| Economy, Enterprise and Property         | 4,541         |
|  | <hr/>         |
|  | <b>45,940</b> |

**Departmental Operational Budgets****109,501**

Corporate and Democracy

---

-880**Total Operational Budget**

---

**108,621**

**APPENDIX D****2019/20 BUDGET – REASONS FOR CHANGE**

|   | <b>£000</b>                |
|---|----------------------------|
| 2017/18 Approved Budget   | 109,227                    |
| Add back One-Off savings  | 1,980                      |
|   | <hr/> 111,207              |
| <u>Policy Decisions</u>   |                            |
| Capital Programme   | -307                       |
| <u>Inflation and Service Demand Pressures</u>                       |                            |
| Pay (including Increments)  | 4,201                      |
| Prices  | 1,785                      |
| Income  | -445                       |
| <u>Other</u>  |                            |
| Net Adjustment to Specific Grants                                   | -2,210                     |
| Contingency   | 1,000                      |
| Business Rates Retention Scheme                                     | 2,298                      |
| Children and Families Service Pressures funded by Social Care Grant | 1,092                      |
| <b>Base Budget</b>  | <hr/> <b>118,621</b>       |
| Less Savings (Including savings agreed by Council 12 December 2018) | -10,000                    |
| <b>Total 2018/19 Budget</b>   | <hr/> <b>108,621</b> <hr/> |

## APPENDIX E

### MEDIUM TERM FINANCIAL FORECAST

|  | 2020/21<br>£000 | 2021/22<br>£000 | 2022/23<br>£000 |
|--|-----------------|-----------------|-----------------|
| <b>Spending</b>  |                 |                 |                 |
| Previous Year's Budget   | 108,621         | 101,714         | 102,837         |
| Add back one-off savings   | 4,818           | 0               | 0               |
| <u>Inflation</u>   |                 |                 |                 |
| Pay  | 1,789           | 1,716           | 1,750           |
| Prices   | 1,525           | 1,556           | 1,587           |
| Income   | -613            | -625            | -638            |
| <u>Other</u>   |                 |                 |                 |
| Capital Financing  | 200             | 200             | 200             |
| Contingency  | 1,500           | 2,000           | 2,500           |
| Domiciliary / Reablement Care – External                             | 800             | 0               | 0               |
| Provider Costs   |                 |                 |                 |
| Additional Better Care Fund  | -904            | 0               | 0               |
| Reduction to New Homes Bonus Grant                                   | 112             | 112             | 287             |
| Social Care Grant  | 1,092           | 0               | 0               |
| Use of Reserves  | 0               | 500             | 0               |
| <b>Budget Forecast</b>   | <b>118,940</b>  | <b>107,173</b>  | <b>108,523</b>  |
| <b>Resources</b>   |                 |                 |                 |
| Retained Business Rates  | 52,027          | 49,068          | 50,129          |
| Forecast loss through Business Rate Baseline and Fair Funding Review | -4,000          | 0               | 0               |
| Top Up Funding   | 4,090           | 4,172           | 4,255           |
| Council Tax  | 49,597          | 49,597          | 49,597          |
|  | 101,714         | 102,837         | 103,981         |
| <b>Funding Gaps</b>  | <b>17,226</b>   | <b>4,336</b>    | <b>4,542</b>    |



**APPENDIX F**

**COMMITTED CAPITAL PROGRAMME 2019/22**

| <b>SCHEME</b>   | <b>2019/20</b><br><b>£000</b> | <b>2020/21</b><br><b>£000</b> | <b>2021/22</b><br><b>£000</b> |
|---|-------------------------------|-------------------------------|-------------------------------|
| Schools Capital Projects                              | 2,028.8                       | 642.9                         | -                             |
| ALD Bungalows   | 199.0                         | -                             | -                             |
| Disabled Facilities Grant                             | 500.0                         | -                             | -                             |
| Adapted Properties                                    | 290.0                         | -                             | -                             |
| Orchard House   | 317.0                         | -                             | -                             |
| <b>People Directorate</b>                             | <b>3,334.8</b>                | <b>642.90</b>                 | -                             |
| Stadium Minor Works                                   | 30.0                          | 30.0                          | 30.0                          |
| Children's Playground Equipment                       | 65.0                          | 65.0                          | 65.0                          |
| Landfill Tax Credit Schemes                           | 340.0                         | 340.0                         | 340.0                         |
| Upton Improvements                                    | 13.0                          | -                             | -                             |
| Runcorn Hill Park                                     | 0.0                           | -                             | -                             |
| Crow Wood Park Play Area                              | 5.0                           | -                             | -                             |
| Open Spaces Schemes                                   | 180.0                         | -                             | -                             |
| Peelhouse Lane Cemetery                               | 500.0                         | 90.0                          | -                             |
| Pheonix Park  | 13.7                          | -                             | -                             |
| Victoria Park Glass House                             | 73.0                          | -                             | -                             |
| Sandymoor Playing Fields                              | 500.0                         | -                             | -                             |
| Widnes & Runcorn Cemeteries - garage & storage        | 20.0                          | -                             | -                             |
| Runcorn Town Park                                     | 280.0                         | 280.0                         | 280.0                         |
| Litter Bins   | 20.0                          | 20.0                          | 20.0                          |
| Community Shop  | 50.0                          | -                             | -                             |
| Libraries IT equipment                                | 95.0                          | -                             | -                             |
| IT Rolling Programme                                  | 700.0                         | 700.0                         | 700.0                         |
| 3MG   | 100.0                         | -                             | -                             |
| Widnes Waterfront (Including Bayer)                   | 1,000.0                       | -                             | -                             |
| Equality Act Improvement Works                        | 300.0                         | 300.0                         | 300.0                         |
| Widnes Market Refurbishment                           | 29.0                          | -                             | -                             |
| Solar Farm  | 1,177.5                       | -                             | -                             |
| Street Lighting - Structural Maintenance              | 200.0                         | 200.0                         | 200.0                         |
| Street Lighting – Upgrades                            | 1,000.0                       | 1,799.6                       | -                             |
| Widnes Loops  | 4,227.2                       | -                             | -                             |
| SUD   | 800.0                         | -                             | -                             |
| Risk Management                                       | 296.5                         | 120.0                         | 120.0                         |
| Fleet Replacements                                    | 1,515.0                       | 1,260.0                       | 3,043.0                       |
| Early Land Acquisition Mersey Gateway                 | 3,500.0                       | -                             | -                             |
| <b>Economy, Community &amp; Resources Directorate</b> | <b>17,029.9</b>               | <b>5,204.6</b>                | <b>5,098.0</b>                |
| <b>Total Capital Programme</b>                        | <b>20,364.7</b>               | <b>5,847.5</b>                | <b>5,098.0</b>                |
| <b>Slippage between years</b>                         | <b>556.6</b>                  | <b>4,448.3</b>                | <b>2,903.4</b>                |
| <b>GRAND TOTAL</b>                                    | <b>20,921.3</b>               | <b>10,295.8</b>               | <b>8,001.4</b>                |