

# Public Document Pack

**Date:** 24 February 2016

**All Members of the Council**

**Our Ref:**

**Your Ref:**

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Dear Councillor

## **COUNCIL SUMMONS FOR MEETING ON 25 FEBRUARY 2016 - ADDITIONAL INFORMATION**

**Item 6 - Council Tax 2016/ 2017** - please find attached Appendix 6(b), (the decision of the Executive from its meeting on 22 February 2016) and Appendix 6 (c).

Appendix 6(c) is a paper from the Leader of the Council, bringing together the recommendations from both Executive meetings in to a summary document, set out in accordance with the requirements of the Localism Act 2011.

I would be grateful if you could bring these papers with you to the meeting and if you have any further queries please contact me by the direct line or email address listed above.

An order of proceedings will be circulated separately to all members.

Yours sincerely



Director of Governance and Regulatory Services

Enc: Appendices 6 (b) and 6(c)

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<b>Notice of:</b>	<b>EXECUTIVE</b>
<b>Decision Number:</b>	EX13/2016
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	22 <sup>nd</sup> February 2016

## COUNCIL TAX 2016/17

### 1.0 Purpose of the report:

1.1 Proposals for Blackpool Council's level of Council Tax for 2016/17 and the General Fund Revenue Budget 2016/17.

### 2.0 Recommendation(s):

2.1 To consider all information received since the meeting of the Executive on 8<sup>th</sup> February 2016 including the Final Settlement Funding Assessment which was announced on 8<sup>th</sup> February 2016 and to determine whether or not to confirm the Executive's recommendation to Council regarding the General Fund Revenue Budget 2016/17.

2.2 To recommend to Council approval of a level of Council Tax for the year 2016/17 of £1,358.05 at valuation band D equivalent which includes the additional 2% Adult Social Care Precept.

2.3 To recommend to Council the level of net expenditure for the General Fund Revenue Budget 2016/17 of £122,999,000.

2.4 To note that the Lancashire Combined Fire Authority will meet on 15<sup>th</sup> February 2016 to set its precept for the financial year 2016/17. This will be reported verbally at this meeting.

2.5 To note that the Police and Crime Commissioner for Lancashire's precept for the year 2016/17 at valuation band D equivalent will be agreed on 16th February 2016 and will again be reported verbally at this meeting.

**3.0 Reasons for recommendation(s):**

- 3.1 The Executive is required to consider the outcome of consultation meetings and surveys before finalising its Budget proposals.

The setting of the General Fund Revenue Budget and the level of Council Tax is consistent with the principles approved by the Executive at its meeting on 8<sup>th</sup> February 2016. The Council Tax level recommended balances all 8 principles of the approved Medium Term Financial Strategy against the real risk of further service cuts.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? NO

- 3.2b Is the recommendation in accordance with the Council's approved budget? Not applicable – the report once approved will become the Council's new approved Budget

- 3.3 Other alternative options to be considered:

None, as although one of the 8 guiding principles of the Council's Medium Term Financial Strategy 2015/16 – 17/18 is "to keep Council Tax levels as low as possible", Government funding reductions alongside increasing service demands and inflationary pressures on the Council's Budget in 2016/17 (including Adult Social Care pressures of 4 times the allowable Precept and new burdens such as Deprivation of Liberty Safeguards and the transfer to Academies) prevent a Council Tax level any lower than the capped level being prudent or practicable.

The Council Tax level recommended balances all 8 principles against the real risk of further service cuts. Although the level of Council Tax at valuation band D that is recommended is £1,358.05, the profile of hereditaments in Blackpool with bands A and B comprising 74% of the total means that the average council tax payable in 2016/17 is estimated at £795.

**4.0 Council Priority:**

- 4.1 The relevant Council Priorities are:

"The economy: Maximising growth and opportunity across Blackpool"

"Communities: Creating stronger communities and increasing resilience"

## 5.0 Background Information

- 5.1 At its meeting on 8<sup>th</sup> February 2016, the Executive considered a report of the Director of Resources that recommended to Council approval of a net expenditure for the General Fund Revenue Budget of £122,999,000 that would result in a level of Council Tax for the year 2016/17 of £1,358.05 at valuation band D equivalent. This is an increase of 3.99% and includes the additional and allowable 2% Adult Social Care Precept.
- 5.2 The Final Settlement of Blackpool Council's 2016/17 Settlement Funding Assessment was announced by the Department for Communities and Local Government on 8<sup>th</sup> February 2016. Compared to the Provisional Settlement there have been no changes to the method of distributing Revenue Support Grant and as such the Settlement Funding Assessment and Core Spending Power are unchanged for 2016/17 at £75.8m and £125.0m respectively.
- 5.3 As part of the Provisional Local Government Finance Settlement the threshold for 'excessive' Council Tax increases was set at 2%, with an increase of 2% or more requiring a local referendum to be held. This 2% threshold excludes the additional 2% allowed for the Adult Social Care Precept. The level of Council Tax recommended in this report will not invoke this requirement.
- 5.4 Besides the ongoing dialogue with the Trade Unions throughout the budget-setting process, the draft General Fund Revenue Budget 2016/17 and supporting information was further considered at a meeting of the Tourism, Economy and Resources Scrutiny Committee with Trade Union representatives and Business Ratepayers held on 12<sup>th</sup> February. The views presented at this meeting will be reported to the Executive.
- 5.5 The precepts of the Lancashire Combined Fire Authority and the Police and Crime Commissioner for Lancashire for the year 2016/17 will be agreed on 15<sup>th</sup> and 16<sup>th</sup> February 2016 respectively and will be reported verbally to this meeting of the Executive.
- 5.6 Does the information submitted include any exempt information? No
- 5.7 **List of Appendices:**
- None

**6.0 Legal considerations:**

6.1 None

**7.0 Human Resources considerations:**

7.1 Human Resources considerations were outlined in the General Fund Revenue Budget 2016/17 report.

**8.0 Equalities considerations:**

8.1 An Equality Analysis was produced for the General Fund Revenue Budget 2016/17 report to the Executive on 8<sup>th</sup> February 2016 [available via this link](#) - this remains applicable.

**9.0 Financial considerations:**

9.1 As outlined in this report.

**10.0 Risk management considerations:**

10.1 A Risk Analysis was produced for the General Fund Revenue Budget 2016/17 report to the Executive on 8<sup>th</sup> February 2016 [available via this link](#) - this remains applicable.

**11.0 Ethical considerations:**

11.1 In the context of a budget savings requirement of £25.1m in 2016/17 with inevitable cuts to some services, a Council tax increase of 3.99% which will yield £1.85m is a necessary contribution to ensure that key Council services are maintained.

**12.0 Internal/ External Consultation undertaken:**

12.1 Consultation has taken place at a meeting with the Trade Unions and Business Ratepayers on 12<sup>th</sup> February 2016. As is the usual practice engagement on the Council's overall budgetary position – including possible impacts on revenue raising, service cuts and Council Tax has also taken place at meetings of the Disability Partnership (5th January 2016), Blackpool Equalities Forum (20th January 2016) and Faith Forum (25th January 2016). The relevant minutes have been circulated to the Executive.

12.2 The Council commissioned Research for Today to undertake early engagement with the public via a Simalto budget-setting exercise. The intention was to inform residents about the services which the Council delivers and the current budget situation, then seek their informed views on how the Council budget could be re-set.

- 12.3 The process ran for 5 weeks from the start of September. It was open to anyone to participate in and was promoted via the Council’s website, third sector organisations, the emerging Citizen’s Panel, the Council’s followers on social media, plus formal “completion” sessions and outreach work in the community. A video on the website explained the work of the Council and the budgetary situation.
- 12.4 The information gathered has been presented to the Council’s Executive for consideration and used throughout the budget-setting process. It has informed the content of this report. It is important to emphasise that the broad nature of this exercise plus the self-selection of participants means it can only provide a guide to public opinion and perception.
- 12.5 The Council’s Executive considered feedback from the Simalto exercise as part of the paper “Council Budget 2016/17 Consultation Process” on 23rd November 2015.
- 12.6 As the Provisional and Final Local Government Finance Settlements required a further £5.1m of budget savings in 2016/17 to that previously consulted upon above, then approval of this report will commence a further 3-month consultation process on service proposals listed at Appendix 2b [available via this link](#) to the General Fund Budget Report. The Council is required to consider the views offered and take them into account throughout further meetings and discussions with residents, trade unions and other stakeholders.

### 13.0 Background papers

- 13.1 Budget working papers and above consultation minutes and feedback.

### 14.0 Key decision information:

- |      |   |         |
|------|---|---------|
| 14.1 | Is this a key decision?   | Yes     |
| 14.2 | If so, Forward Plan reference number:                               | 29/2015 |
| 14.3 | If a key decision, is the decision required in less than five days? | No      |
| 14.4 | If <b>yes</b> , please describe the reason for urgency:             |         |

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 12<sup>th</sup> February 2016 Date approved:

**17.0 Declarations of interest (if applicable):**

17.1 Councillor Campbell declared a disclosable pecuniary interest in decision number 2, in relation to the proposed consultation on a reduction of £200,000 from Housing Related Support, as an employee of Bay Housing Association. Councillor Campbell left the meeting for this part of the decision and took no part in the voting or discussion.

Councillors Cain and Smith declared a prejudicial interest in decision Number 3, in relation to the proposed consultation on additional income of £100,000 from Blackpool Operating Company Ltd, as Council appointed Directors of Blackpool Operating Company Ltd. Councillors Cain and Smith left the meeting for this part of the decision and took no part in the voting or discussion.

**18.0 Executive decision:**

18.1 The Executive resolved as follows:

1. That in the absence of the Leader and Deputy Leader of the Council, Councillor Jackson be appointed Chairman for the part of the meeting related to savings from Housing Related Support and additional income from Blackpool Operating Company Ltd.



2. To reconfirm the recommendation to the Council of approval of the savings of £200,000 from Housing Relating Support as part of the second tranche of budget saving proposals and to note that formal consultation on these proposals will take place over the next 3 months.
3. To reconfirm the recommendation to the Council of approval of additional income of £100,000 from Blackpool Operating Company Ltd as part of the second tranche of budget saving proposals and to note that formal consultation on these proposals will take place over the next 3 months.

(Councillor Campbell having declared a disclosable pecuniary interest in relation to the savings from Housing Related Support left the meeting for the Decisions 1, 2 and 3, and returned to the meeting and retook her position as Chairman for Decisions 4 to 8.)

(Councillors Cain and Smith having prejudicial interests in relation to the additional income from Blackpool Operating Company Ltd left the meeting for Decisions 1, 2 and 3.)

4. Having considered carefully the minutes of the Tourism, Economy and Resources Scrutiny Committee meeting held on 12<sup>th</sup> February 2016, to agree to confirm the Executive's other recommendations to Council regarding the General Fund Revenue Budget 2016/17 from its meeting on the 8<sup>th</sup> February 2016.
5. To recommend to Council the level of net expenditure for the General Fund Revenue Budget 2016/17 of £122,999,000.
6. To recommend to Council approval of a level of Council Tax for the year 2016/17 of £1,358.05 at valuation band D equivalent which includes the additional 2% Adult Social Care Precept.
7. To note that the Lancashire Combined Fire Authority precept for the financial year 2016/2017 as agreed on the 15<sup>th</sup> February 2016 is £65.50 for a Band D Tax equivalent (a 0.99% increase).
8. To note that the Police and Crime Commissioner for Lancashire's precept for the financial year 2016/2017 as agreed on the 16<sup>th</sup> February 2016 is £162.22 (a 1.99% increase) for a Band D Tax equivalent.

**18.2 Date of Decision:**

22<sup>nd</sup> February 2016

**19.0 Reason(s) for decision:**

The Executive is required to consider the outcome of consultation meetings and surveys before finalising its Budget proposals.

The setting of the General Fund Revenue Budget and the level of Council Tax is consistent with the principles approved by the Executive at its meeting on 8<sup>th</sup> February 2016. The Council Tax level recommended balances all 8 principles of the approved Medium Term Financial Strategy against the real risk of further service cuts.

**19.1 Date Decision published:**

24<sup>th</sup> February 2016

**20.0 Executive Members in attendance:**

20.1 Councillor Jackson, in the Chair for decisions 2 and 3

Councillor Campbell, in the Chair for decisions 4, 5, 6, 7 and 8

Councillors Cain, Collett, Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

(Councillor Campbell having declared a prejudicial interest relation to the savings from Housing Related Support left the meeting for the Decisions 1, 2 and 3).

(Councillors Cain and Smith having prejudicial interests in relation to the additional dividend from Blackpool Operating Company left the meeting for Decisions 1, 2 and 3).

Apologies were received from Councillor Blackburn who was engaged elsewhere on Council business.

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

COUNCIL MEETING  
25<sup>th</sup> FEBRUARY 2016

**Council Tax 2016/2017 - Summary Document**

**1 Background**

- 1.1 The purpose of this paper is to enable the Council to calculate and set the Council Tax for 2016/2017.
- 1.2 The Localism Act 2011 includes amendments to the Local Government Finance Act 1992 and requires billing authorities in England to calculate a Council Tax Requirement for the year.
- 1.3 The precept levels of other precepting bodies have been confirmed. These are as follows:

Police and Crime Commissioner for Lancashire

- 1.4 The Police and Crime Commissioner for Lancashire has set the precept for the financial year 2016/2017 at £162.22 for a Band D Council Tax equivalent.

Lancashire Combined Fire Authority

- 1.5 Lancashire Combined Fire Authority has set their precept for the financial year 2016/2017 at £65.50 for a Band D Council Tax equivalent.

**2 Recommendations**

The Council is recommended:

- a) To approve the savings of £200,000 from Housing Relating Support as part of the second tranche of budget saving proposals and to note that formal consultation on this proposal will take place over the next 3 months (reference paragraph 7.2 and Appendix 2b of the report to the Executive on 8<sup>th</sup> February 2016).
- b) To approve the additional income of £100,000 from Blackpool Operating Company Ltd as part of the second tranche of budget saving proposals and to note that formal consultation on this proposal will take place over the next 3 months (reference paragraph 7.2 and Appendix 2b of the report to the Executive on 8<sup>th</sup> February 2016).
- c) To agree the level of net expenditure for the General Fund Revenue Budget 2016/2017 of £122,999,000 (ref. Paragraph 2.3 of the report to the Executive on 22<sup>nd</sup> February 2016).

- d) To approve a level of budget savings of £25.1m (reference paragraph 7.1 and 7.2 and Appendices 2, 2a and 2b of the report to the Executive on 8<sup>th</sup> February 2016).
- e) To agree the savings listed in the second tranche of budget saving proposals that total £4.8m (excluding the £200,000 for Housing Related Support already approved at decision a and the £100,000 additional income from Blackpool Operating Company Ltd already approved at decision b) and to note that formal consultation will take place over the next 3 months (reference paragraph 7.2 and Appendix 2b the report to the Executive on 8<sup>th</sup> February 2016).
- f) To agree that the Chief Executive be authorised to take any necessary steps to ensure all staffing savings are achieved (ref. paragraph 8.1 of the report to the Executive on 8<sup>th</sup> February 2016).
- g) To agree that the Business Loans Fund is increased from £8m to £10m (ref. paragraph 8.3 of the report to the Executive on 8<sup>th</sup> February 2016).
- h) To agree that the target level of working balances remains at £6m (ref. paragraph 10.4 of the report to the Executive on 8<sup>th</sup> February 2016).
- i) To note the comments of the meeting of the Tourism, Economy and Resources Scrutiny Committee with the Trade Unions and Business Ratepayers, as reported to the Executive on 22<sup>nd</sup> February 2016 and the responses given.
- j) To adopt the formal Council Tax Resolutions set out at Appendix 6 (c) (Annex 1), in so doing agree a Council Tax Requirement of £48,295,000 and a Council Tax Base of 35,562.
- k) To note the calculation of Aggregate Amounts as directed by Section 31A of the Local Government Finance Act 1992 as set out at Appendix 6 (c) (Annex 1 and 2).
- l) To approve a level of Council Tax for the financial year 2016/2017 of £1,358.05 at valuation Band D equivalent (a 3.99% increase including the 2% Adult Social Care Precept but excluding the precepts for the Police and Crime Commissioner for Lancashire and the Lancashire Combined Fire Authority).
- m) To note that the Lancashire Combined Fire Authority precept for the financial year 2016/2017 is £65.50 for a Band D Tax equivalent (a 0.99% increase) and the Police and Crime Commissioner for Lancashire's precept for the financial year 2016/2017 is £162.22 (a 1.99% increase) for a Band D Tax equivalent.
- n) To confirm that should recommendation l) above be approved, the aggregate levels of Council Tax for Valuation Bands A to H will be as overleaf:

VALUATION BAND	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
BLACKPOOL	887.95	1,035.95	1,183.93	1,331.93	1,627.91	1,923.90	2,219.88	2,663.86
ADULT SOCIAL CARE PRECEPT	17.41	20.32	23.22	26.12	31.92	37.73	43.53	52.24
BLACKPOOL TOTAL CTAX	905.36	1,056.27	1,207.15	1,358.05	1,659.83	1,961.63	2,263.41	2,716.10
POLICE	108.15	126.17	144.20	162.22	198.27	234.32	270.37	324.44
FIRE	43.67	50.94	58.22	65.50	80.06	94.61	109.17	131.00
COUNCIL TAX 2016/17	1,057.18	1,233.38	1,409.57	1,585.77	1,938.16	2,290.56	2,642.95	3,171.54

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**COUNCIL TAX AND BUDGET 2016/2017**


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**The Council is recommended to resolve as follows:**

1. That it be noted that on 27th January 2016, the following amount was approved by the Leader of the Council as the Council's Council Tax Base for the financial year 2016/2017:
  - (a) 35,562 for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
  
2. That the Council Meeting approve the Council Tax Requirement for the Council's own purposes for 2016/2017 (excluding precepts) as being £48,295,000
  
3. That the following amounts be calculated by the Council for the year 2016/2017 in accordance with sections 31 to 36 of the Local Government Finance Act 1992:
  - (a) £431,262,000 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(2) of the Act (Annex 2).
  
  - (b) £382,967,000 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(3) of the Act (Annex 2).
  
  - (c) £48,295,000 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 31B of the Act). (Annex 2).
  
  - (d) £1,358.05 being the amount at 3(c) above, all divided by Item T (1(a) above), calculated by the Council, in accordance with section 31B of the Act, as the basic amount of its Council Tax for the year.
  
  - (e) £0.00 being the aggregate amount of all special items referred to in section 34(1) of the Act.
  
  - (f) £1,358.05 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the amount by Item T (1(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 its area.

4. That it be noted that for the year 2016/2017 the Police and Crime Commissioner for Lancashire and the Lancashire Combined Fire Authority have issued precepts to the Council in accordance with section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2016/2017 for each part of its area and for each of the categories of dwellings.

**Valuation Bands**

Authority	£							
	A	B	C	D	E	F	G	H
Blackpool Council	887.95	1,035.95	1,183.93	1,331.93	1,627.91	1,923.90	2,219.88	2,663.86
Adult Social Care Precept	17.41	20.32	23.22	26.12	31.92	37.73	43.53	52.24
Blackpool Council Total	905.36	1,056.27	1,207.15	1,358.05	1,659.83	1,961.63	2,263.41	2,716.10
Police and Crime Commissioner for Lancashire	108.15	126.17	144.20	162.22	198.27	234.32	270.37	324.44
Lancashire Combined Fire Authority	43.67	50.94	58.22	65.50	80.06	94.61	109.17	131.00

**AGGREGATE OF COUNCIL TAX REQUIREMENTS**

	A	B	C	D	E	F	G	H
All parts of the Council's area	1,057.18	1,233.38	1,409.57	1,585.77	1,938.16	2,290.56	2,642.95	3,171.54

6. Blackpool Council's Council tax includes a new charge for adult social care functions.
7. To note that the Council's basic amount of Council Tax for 2016/2017 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

## BLACKPOOL COUNCIL

CALCULATION OF AGGREGATE AMOUNTS UNDER SECTION 31A OF THE  
LOCAL GOVERNMENT FINANCE ACT 1992

	2016/2017 GROSS EXPENDITURE	2016/2017 GROSS INCOME	2016/2017 NET EXPENDITURE
	£000	£000	£000
Blackpool Council	428,630	375,637	52,993
Add Levies by Other Organisations:			
- Environment Agency	65	0	65
Add Appropriations to Reserves:			
- General Fund Balances	0	0	0
- Housing Revenue Account Reserve	0	2,038	(2,038)
- Earmarked Reserves	2,567	5,292	(2,725)
<b>COUNCIL TAX REQUIREMENT</b>	<b>431,262</b>	<b>382,967</b>	<b>48,295</b>

Note 1

Note 2

**Note 1:** This figure represents the aggregate of the amounts estimated for the items set out in section 31A(2) of the Local Government Finance Act 1992.

**Note 2:** This figure represents the aggregate of the amounts estimated for the items set out in section 31A(3) of the Local Government Finance Act 1992.

**Note 3:** All figures are rounded to the nearest thousand.