

<b>Notice of:</b>	<b>EXECUTIVE</b>
<b>Decision Number:</b>	EX10/2018
<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>	19 February 2018

## COUNCIL TAX 2018/19

### 1.0 Purpose of the report:

- 1.1 Proposals for Blackpool Council's level of Council Tax for 2018/19 and the General Fund Revenue Budget 2018/19.

### 2.0 Recommendation(s):

- 2.1 To consider all information received since the meeting of the Executive on 5 February 2018 including the Final Settlement Funding Assessment announced on 6 February and the report of the Tourism, Economy and Resources Scrutiny Committee meeting on the 9 February 2018 and to determine whether or not to confirm the Executive's recommendation to Council regarding the General Fund Revenue Budget 2018/19.
- 2.2 To recommend to Council approval of a level of Blackpool Council's Council Tax for the year 2018/19 of £1,511.14 at valuation band D equivalent which includes the additional 3% Adult Social Care Precept.
- 2.3 To recommend to Council the level of net expenditure for the General Fund Revenue Budget 2018/19 of £124,365,000.
- 2.4 To note that the Police and Crime Commissioner for Lancashire's precept for the financial year 2018/19 at valuation band D equivalent was due to be agreed on 16 February 2018 and will be reported verbally at this meeting.
- 2.5 To note that the Lancashire Combined Fire Authority will meet on the morning of 19 February 2018 to set its precept for the financial year 2018/19. This again will 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 5 February 2018.

- 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:

Although one of the 8 guiding principles of the Council's Medium-Term Financial Sustainability Strategy 2016/17 – 2021/22 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 2018/19, in particular Children's Social Care pressures and Adult Social Care pressures of 2.3 times the allowable Precept (see table below), prevent a Council Tax level any lower than the capped level being prudent or practicable.

	£000	£000
Adult Social Care – 2018/19 in-year cost pressures		
- In-house pay related	272	
- National Living Wage on External Contracts	2,295	
- Other Non-pay inflation	420	
- Demographic pressures	544	
Total		3,531
3% Adult Social Care Precept		1,549

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 £1,511.14, the profile of hereditaments in Blackpool with bands A and B comprising 74% of the total means that the average council tax payable per dwelling in 2018/19 is estimated at £770.

#### **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 5 February 2018 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 £124,365,000 that would result in a level of Council Tax for the year 2018/19 of £1,511.14 at valuation band D equivalent. This is an increase of 5.99% and includes the additional and allowable 3% Adult Social Care Precept. This decision can be viewed via the attached link-[budget decision](#)
- 5.2 The Final Settlement of Blackpool Council's 2018/19 Settlement Funding Assessment was announced by the Ministry of Housing, Communities and Local Government on 6 February 2018. The 2 changes affecting Blackpool Council were:
- additional funding through Adult Social Care Support Grant
  - extra compensation for under-indexing the business rates multiplier
- 5.3 The share of the non-recurrent Adult Social Care Support Grant for Blackpool is £565,000. This will be held in contingency until its conditions for use have been clarified and a plan for its utilisation agreed. As this is a net nil budget adjustment with budgeted expenditure being met by budgeted grant income, it has no impact upon the recommended General Fund Revenue Budget Net Requirement or Council Tax level.
- 5.4 An extra £97,000 will be received in 2018/19 for compensation regarding the under-indexing of the business rates multiplier which will be transferred into the Earmarked Business Rates Reserve. This too will have no impact upon the recommended General Fund Revenue Budget Net Requirement or Council Tax level.
- 5.5 As part of the final Local Government Finance Settlement the threshold for 'excessive' Council Tax increases was confirmed at 3%, an increase of 3% or more requiring a local referendum to be held. This 3% threshold excludes the additional 3% allowed for the Adult Social Care Precept. The level of Council Tax recommended in this report will not invoke this requirement.

- 5.6 Besides the ongoing dialogue with the Trade Unions throughout the budget-setting process, the draft General Fund Revenue Budget 2018/19 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 9 February 2018. The views presented at this meeting will be reported to the Executive.
- 5.7 The precepts of the Police and Crime Commissioner for Lancashire and the Lancashire Combined Fire Authority for the year 2018/19 are due to be agreed on 16 and 19 February 2018 respectively and will be reported verbally to this meeting of the Executive.
- 5.8 Is it the Corporate Delivery Unit aware of this report? Yes
- The Corporate Delivery Unit will be working with Resources to ensure any service Transformation required by budget savings are addressed in the Delivery Unit workplan.
- 5.9 Does the information submitted include any exempt information? No
- 5.10 **List of Appendices:**
- None.
- 6.0 Legal considerations:**
- 6.1 There is a duty for major precepting authorities to issue a precept for 2018/19 before 1 March 2018. For other local authorities there is a duty to set 2018/19 budgets before 11 March 2018.
- 7.0 Human Resources considerations:**
- 7.1 Human Resources considerations were outlined in the General Fund Revenue Budget 2018/19 report.
- 8.0 Equalities considerations:**
- 8.1 An Equality Analysis was produced for the General Fund Revenue Budget 2018/19 report to the Executive on 5 February 2018 - this remains applicable.
- 8.2 In making this year's Council Tax proposal particular account has been taken of the impact on vulnerable groups and people who share the protected characteristics under the Equality Act. A full Equality Analysis report into the detailed budget

proposals within the Revenue Budget has underpinned this consideration. In terms of impact proposals have been balanced that will protect core services to vulnerable people and communities, together with the need to balance the budget and move to a greater self-sufficiency with regard to income and tax-raising given the future reductions in central government grant support outlined in the Medium-Term Financial Sustainability Strategy 2016/17 – 2021/22.

**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 2018/19 report to the Executive on 5 February 2018 - this remains applicable.

**11.0 Ethical considerations:**

11.1 In the context of a budget savings requirement of £5.5m in 2018/19 with inevitable cuts to some services, a Council Tax increase of 5.99% which will yield £3.1m is a necessary contribution to ensure that key Council services are maintained.

**12.0 Internal/ External Consultation undertaken:**

12.1 Consultation meetings on the broad budget position facing the Council have always been undertaken with the community equality groups. The Council's Director of Resources or his representative has often personally attended and briefed a number of these groups over this period.

12.2 Wider communication has also taken place via the Council's extensive corporate communication methods, which include website, social media, media briefings & press statements and interviews.

12.3 In addition to the above, this year the Council has also undertaken a public outreach exercise with the general public during September – November 2017. These sessions were held in libraries across the town and have informed the decision-making processes.

12.4 Once specific proposals were published in December 2017, detailed consultations with all affected stakeholders - amongst them staff, service users and communities of interest / equality groups – have taken place. The outcomes of these consultations have been considered by key decision makers and accordingly have informed the final proposals contained in the budget.

12.5 Consultation with the Trades Unions with regards to staffing issues has been embedded into normal working practices and has also met all formal consultation requirements.

**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: 29/2017

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, 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: 9 February 2018 Date approved:

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

17.1 Councillors Cain and Smith both declared prejudicial interest in decision 1 the nature of the interest being that they were Council appointed non-Executive directors of Blackpool Operating Company Limited. Councillors Cain and Smith both left the meeting for this part of the decision and took no part in the voting or discussion. (ref. paragraphs 7.1 and 7.2 and line 2.22 of Appendix 2 to the General Fund Revenue Budget 2018/2019 papers circulated for the Executive meeting on 5 February 2018)

Councillor Jackson declared a personal interest in decision 2 relating to the Cultural Exemption Generating VAT recovery as a Council appointed Non-Executive Director of the Board of Blackpool Entertainment Company Limited (reference line 1.51 of Appendix 2 Appendix 2 to the General Fund Revenue Budget 2018/2019 papers circulated for the Executive meeting on 5 February 2018).

## **18.0 Executive decision:**

### **18.1 The Executive resolved as follows:**

1. To confirm the Executive's recommendation to Council of an increase in income of £150,000 from car parking and the Council's wholly owned Companies as part of its budget savings proposals (ref. paragraphs 7.1 and 7.2 and line 2.22 of Appendix 2 to the General Fund Revenue Budget 2018/2019 papers circulated for the Executive meeting on 5 February 2018).

(Councillors Cain and Smith having both declared a prejudicial interest left the room during consideration of this decision.)

2. To confirm the Executive's recommendation to Council of a level of budget savings of £5.35m (excluding the saving outlined in 1 above), (ref. paragraphs 7.1 and 7.2 and Appendix 2 to the General Fund Revenue Budget 2018/2019 papers circulated for the Executive meeting on 5 February 2018).
3. Having considered all information received since the meeting of the Executive on 5 February 2018 including the Final Settlement Funding Assessment announced on 6 February and the report of the Tourism, Economy and Resources Scrutiny Committee meeting on the 9 February 2018 to confirm all of the Executive's other recommendations to Council regarding the General Fund Revenue Budget 2018/19. Previous decision on 5 February 2018
4. To recommend to Council approval of a level of Blackpool Council's Council Tax for the year 2018/19 of £1,511.14 at valuation band D equivalent which includes the additional 3% Adult Social Care Precept.
5. To recommend to Council the level of net expenditure for the General Fund Revenue Budget 2018/19 of £124,365,000.
6. To note that the Police and Crime Commissioner for Lancashire's precept for the financial year 2018/19 at valuation band D equivalent was agreed on 16 February 2018 and was reported verbally at this meeting as £177.45 (a 7.25 % rise).

7. To note that the Lancashire Combined Fire Authority met on the morning of 19 February 2018 to set its precept for the financial year 2018/19. This was reported verbally at this meeting as £67.46 (a 2.99% rise).

**18.2 Date of Decision:**

19 February 2018

**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 5 February 2018.

**19.1 Date Decision published:**

20 February 2018

**20.0 Executive Members present:**

20.1 Councillor Blackburn, in the Chair

Councillor Cain, Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

(Councillors Cain and Smith having declared a prejudicial interest left the room for the consideration of decision 1 and did not take part in the voting and discussion on that decision.)

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1