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| Report to: | EXECUTIVE |
| Relevant Officer: | Steve Thompson, Director of Resources |
| Relevant Cabinet Member: | Councillor Simon Blackburn, Leader of the Council |
| Date of Meeting: | 25 February 2019 |

COUNCIL TAX 2019/20

1.0 Purpose of the report:

1.1 Proposals for Blackpool Council's level of Council Tax for 2019/20 and the General Fund Revenue Budget 2019/20.

2.0 Recommendation(s):

2.1 To consider all information received since the meeting of the Executive on 4 February 2019 including the Final Settlement Funding Assessment announced on 29 January 2019 and to determine whether or not to confirm the Executive's recommendation to Council regarding the General Fund Revenue Budget 2019/20.

2.2 To recommend to Council approval of a level of Blackpool Council's Council Tax for the year 2019/20 of £1,556.31 at valuation band D equivalent (an increase of 2.99%).

2.3 To recommend to Council the level of net expenditure for the General Fund Revenue Budget 2019/20 of £124,073,000.

2.4 To note that the Police and Crime Commissioner for Lancashire's precept for the financial year 2019/20 at valuation band D equivalent was agreed on the 13 February 2019 as £201.45, an increase of £24.

2.5 To note that the Lancashire Combined Fire Authority will meet on the 18 February 2019 to set its precept for the financial year 2019/20. 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 4 February 2019.

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 eight 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 2019/20, in particular Children's Social Care pressures, prevent a council tax level any lower than the capped level being prudent or practicable.

The council tax level recommended balances all eight principles with the need to fund and maintain core services. Although the level of council tax at valuation band D that is recommended is £1,556.31, 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 2019/20 is estimated at £804.

4.0 Council Priority:

4.1 The report covers both of the Council priorities:

- "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 4 February 2019, 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 £124,073,000 that would result in a level of Council Tax for the year 2019/20 of £1,556.31 at valuation band D equivalent. This is an increase of 2.99%.

5.2 The Final Settlement of Blackpool Council's 2019/20 Settlement Funding Assessment was announced by the Ministry of Housing, Communities and Local Government on 29th January. There were no changes to the Provisional Settlement Funding Assessment of £62,300,000 for 2019/20.

- 5.3 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. The level of Council Tax recommended in this report will not invoke this requirement.
- 5.4 In addition to the announcements affecting 2019/20 the Government has published a Fair Funding consultation paper "A review of local authorities' relative needs and resources – Technical consultation on the assessment of local authorities' relative needs, relative resources and transitional arrangements" – closing date 21 February 2019.
- 5.5 A further consultation paper was published on "Business Rates Retention Reform – sharing risk and reward, managing volatility and setting up the reformed system". This consultation seeks views on options for the reform of elements of the business rates retention system in England from 2020/21 onwards – closing date 21 February 2019.
- 5.6 It is the intention to collaborate with SIGOMA (Special Interest Group of Municipal Authorities) on a joint response to these consultations.
- 5.7 Besides the ongoing dialogue with the trade unions throughout the budget-setting process, this year's process saw a departure from the conventional Scrutiny Committee with business ratepayers with instead the Director of Resources' attendance and presentation at the 25 January 2019 meeting of the Blackpool Business Leaders Group, which received an empathetic hearing by the 120 business leaders present.
- 5.8 The precepts of the Police and Crime Commissioner for Lancashire was agreed on the 13 February 2019 and is included at recommendation 2.4 to note the increase as £24 on a Band D property. The Lancashire Combined Fire Authority's precept for the year 2019/20 is due to be agreed on the 18 February 2019 and will be reported verbally to this meeting of the Executive.
- 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 2019/20 before 1 March 2019. For other local authorities including Blackpool Council there is a duty to set 2019/20 budgets before 11 March 2019.

7.0 Human Resources considerations:

- 7.1 Human Resources considerations were outlined in the General Fund Revenue Budget 2019/20 report.

8.0 Equalities considerations:

- 8.1 An Equality Analysis was produced for the General Fund Revenue Budget 2019/20 report to the Executive on 4 February 2019 - 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 2019/20 report to the Executive on 4 February 2019 - this remains applicable.

11.0 Ethical considerations:

- 11.1 In the context of a budget savings requirement of £9.0m in 2019/20 with inevitable reductions to some services, a Council Tax increase of 2.99% which will yield £1.65m 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 Once specific proposals were published in December 2018, 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.
- 12.4 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. In addition and as referred to at paragraph 5.7, business ratepayers were consulted en bloc at the January Blackpool Business Leaders' Group meeting.

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: 40/2018
- 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: 15 February 2019 Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members present:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1