
Revenue Budget 2019/20

Committee considering report:	Executive on 14 February 2019 Council on 5 March 2019
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	24 January 2019
Report Author:	Andy Walker/Melanie Ellis
Forward Plan Ref:	C3616

1. Purpose of the Report

- 1.1 To consider and recommend to Council the 2019/20 Revenue Budget, which proposes a Council Tax requirement of £97.87m requiring a Council Tax increase of 2.99% in 2019/20. The Council Tax increase will raise £2.84m.
- 1.2 This report also proposes the Fees and Charges for 2019/20 as set out in Appendix H and the Parish Expenses as set out in Appendix I and recommends the level of General Reserves as set out in Appendix F and Appendix G.

2. Recommendations

- 2.1 That Executive recommends to Council:
 - (1) To approve the 2019/20 Council Tax requirement of £97.87million, requiring a Council Tax increase of 2.99%.
 - (2) That the Fees and Charges are approved as set out in Appendix H and the appropriate statutory notices be placed where required.
 - (3) That the Parish Expenses of £15,389 are approved as set out in Appendix I.
 - (4) That the responses received to each of the public facing savings proposals in the public consultation exercise undertaken on the 2019/20 budget be acknowledged and noted.

3. Implications

- 3.1 **Financial:** These are contained in further detail within the report. The key implication is the proposed 2.99% Council Tax increase, which leads to a savings and income generation programme of £6.24m in 2019/20. The Council has a good track record of delivering past savings programmes and monitors and reports on progress on a monthly basis.
- 3.2 **Policy:** None
- 3.3 **Personnel:** There will be some implications for staff which are detailed in a separate report. The trade unions have been consulted and the reductions in staffing will be handled in accordance with the Organisational Change Procedure.

- 3.4 **Legal:** Requirement to produce a Revenue Budget under the various Local Government Finance Acts. The savings proposals have been out to public consultation in order to meet the Council's Public Sector Equality Duty and responses considered in setting the budget. Challenges may be made to certain proposals by means of judicial review as well as under employment legislation in respect of staffing reductions. All cases have been assessed in order to reduce risk of challenge regarding the lawfulness of proposals.

The Public Sector Equality Duty (149 (1) requires a Local Authority in exercise of its functions to have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The essential duty is that decision makers must keep the welfare of service users at the forefront of their mind, but also families, and especially their families who are most disadvantaged.

- 3.5 **Risk Management:** As part of the 2019/20 financial monitoring, savings proposals will be kept under monthly review to ensure they are deliverable. Appendices F and G set out how the impact of increased volatility in Local Government finance will be managed and considers the impact on levels of reserves.
- 3.6 **Property:** The full property implications would need to be determined and a strategy developed for dealing with the impact where the Council retracts from the whole or part of a property. There could be a number of options to be investigated when the decision on the revenue budget has been agreed from; sale of the site, re-development, shared use, and/or change of use or re-letting for another purpose.
- 3.7 **Other:** In the light of the funding reductions required for 2019/20 the options available to the Council for making savings were very limited and it is acknowledged that in some cases the Council will be providing the minimum level of service for some of its Statutory Services.

4. Other options considered

- 4.1 We are proposing to increase Council Tax by 2.99%. If this Council Tax was not increased the savings requirement would be £2.84m higher. Each 1% increase in Council Tax raises £950k. We have considered all options available to us in reaching the decision to increase Council Tax for 2019/20.

Executive Summary

5. Introduction

- 5.1 The purpose of this paper is to consider and recommend to Council the 2019/20 Revenue Budget, which proposes a Council Tax requirement of £97.87m requiring a Council Tax increase of 2.99%. The Council Tax increase will raise an additional £2.84m. In order to arrive at a balanced budget for 2019/20, £6.24m of savings and income generation proposals have been recommended.

6. 2018/19 In Year Position

- 6.1 At Quarter Three of 2018/19, we are forecasting an over spend of £250k which is 0.2% of the net budget. The Communities Directorate is forecasting an overspend of £1.8m, with underspends of £367k in Economy and Environment, £613k in Resources, and £610k in Risk Management bringing the overall overspend down to £250k. Two services are forecasting overspends: Adult Social Care £1.1m and Children & Family Services £755k.
- 6.2 The forecast overspend of £250k is after £2.2m of mitigating action taken to slow expenditure as a corporate response to the overspend, and after deploying a £500k risk management budget and releasing £812k of service risk reserves. Prior to any mitigation, or release of risk funds, the Council would be forecasting an overspend position of £3.8m.
- 6.3 Any over spend will have a negative impact on our reserves. For 2019/20, we have made budget provision for the ongoing pressures that have arisen during 2018/19.

7. The Provisional 2019/20 Local Government Finance Settlement

- 7.1 The provisional settlement figures were issued on 13 December 2018 and the final settlement will be announced in February 2019. Key points are:
- (1) The six unitary authorities in Berkshire will continue the business rates retention pilot, under a 75% retention scheme, including the Royal Fire and Rescue Service from 2019/20. Being part of a pilot is estimated to generate additional funding for West Berkshire of approximately £1.75m per year. However, from the £86m we collect in business rates locally, we will still only retain £24m. This is because we pay 25% to central government, and pay a further 48% to central government in the form of a tariff.
 - (2) One-off funding has been announced for 2019/20 to spend on social care services.
 - (3) For Council Tax, a core principle of up to 3% increase was announced. The ASC precept continues, subject to total increases not exceeding 6% between 2017/18 and 2019/20.
 - (4) Negative Revenue Support Grant (RSG) will be eliminated. Negative RSG is the name given to a downward adjustment of a local authority's business rates tariff, as a consequence of changes to distribution methodology adopted in 2016/17. This has given us a benefit of £1.8m in 2019/20.

8. Funding

- 8.1 West Berkshire Council's main source of funding is from Council Tax. The recommendation included within this report is a Council Tax increase of 2.99% for 2019/20. The Council Tax increase will raise £2.84m.
- 8.2 The Council's costs grow each year as a result of inflation, salary increases, changes to National Insurance and pension contributions, and service pressures arising from increased demand and new responsibilities, particularly in social care.
- 8.3 The Council continues to invest in commercial property, and this is scheduled to generated £2m income per year once fully invested, which is equivalent to approximately 2% Council Tax.
- 8.4 The Funding Statement for 2019/20 shows the funding available to the Council which can be used to fund the budget requirement.

2019/20 Funding Statement		
Income	£m	£m
Council Tax income		90.61
Adult Social Care Precept		7.26
Revenue Support Grant		0.00
Adult Social Care BCF ringfenced funding		5.43
Adult Social Care iBCF ringfenced funding		0.78
Social Care Support Grant		0.86
Other Non-Ringfenced Grants		0.07
Retained Business Rates		23.60
New Homes Bonus		2.39
Collection Fund deficit		0.09
Funds Available		131.11
Expenditure	£m	£m
Opening budget	118.13	
Budget growth	2.71	
Contract inflation	1.72	
Increased budget requirement (pressures)	7.57	
Increase in capital financing costs	0.50	
Savings/Income proposals	-5.13	
Commercial income	-1.11	
Annual Budget Requirement		124.39
Risk provision		0.50
Net Budget Requirement for Management Accounting		124.89
Adult Social Care BCF and iBCF ringfenced funding		5.43
One off Adult Social Care iBCF ringfenced funding		0.78
Increase in reserves		0.00
Use of reserves		0.00
Budget Requirement		131.11
<i>£10k roundings may apply</i>		

9. Reserves

- 9.1 As part of the financial planning process, the Council considers the establishment and maintenance of reserves. The Council s151 officer (Head of Finance and Property) recommends that the General Reserve is a minimum of 5% of the Council's net revenue budget, which for 2019/20 would be £6.55m.
- 9.2 During 2018/19, usable reserves are expected to reduce by £0.8m to fund the forecast revenue over spend, fund exit costs arising from savings plans, fund transformation projects and release earmarked reserves.

10. Proposals

- (1) That Council approve the 2019/20 Council Tax requirement of £97.87 million, requiring a Council Tax increase of 2.99%.
- (2) That the Fees and Charges be approved as set out in Appendix H and the appropriate statutory notices be placed where required.
- (3) That the Parish Expenses be approved as set out in Appendix I.
- (4) That the responses received to each of the public facing savings proposals in relation the public consultation exercise undertaken on the 2019/20 budget be acknowledged and noted.

11. Conclusion

- 11.1 The Council is forecasting an over spend of £250k in 2018/19 which will reduce our level of reserves. The ongoing effect of these budget pressures and the impact on reserves has been factored into the 2019/20 budget, and together with the reductions in government funding, we have had to increase Council Tax by 2.99% and find savings or income generation of £6.24m. West Berkshire Council has an excellent track record of delivering on its savings proposals and of reacting to ongoing pressures in order to minimise the budgetary impact.

12. Appendices

- 12.1 Appendix A – Data Protection Impact Assessment
- 12.2 Appendix B – Equalities Impact Assessment
- 12.3 Appendix C – Supporting Information
- 12.4 Appendix D – Contract inflation and increased budget requirement (pressures)
- 12.5 Appendix E – Savings and income proposals
- 12.6 Appendix F – Reserves Statements
- 12.7 Appendix G – Adequacy of reserves and robustness of budget
- 12.8 Appendix H – Fees and charges
- 12.9 Appendix I – Parish Expenses
- 12.10 Appendix J – Council Tax Collection Fund
- 12.11 Appendix K – Unison comments – to be provided at Council on 5 March 2019
- 12.12 Appendix L – Business Panel information meeting to be held on 12 February 2019 was cancelled due to the number of apologies received. As a result a separate briefing note was e-mailed to all participants and any comments received will be captured in this Appendix for information and will be presented at Council on 5 March 2019
- 12.13 Appendix M – Council Tax Resolution – to be provided at Council on 5 March 2019
- 12.14 Appendix N – Consultation papers

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Resources
Service:	Finance and property
Team:	Accountancy
Lead Officer:	Andy walker
Title of Project/System:	Revenue budget
Date of Assessment:	18.1.19

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
Will you be processing SENSITIVE or “special category” personal data? Note – sensitive personal data is described as “ <i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i> ”		<input checked="" type="checkbox"/>
Will you be processing data on a large scale? Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both		<input checked="" type="checkbox"/>
Will your project or system have a “social media” dimension? Note – will it have an interactive element which allows users to communicate directly with one another?		<input checked="" type="checkbox"/>
Will any decisions be automated? Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?		<input checked="" type="checkbox"/>
Will your project/system involve CCTV or monitoring of an area accessible to the public?		<input checked="" type="checkbox"/>
Will you be using the data you collect to match or cross-reference against another existing set of data?		<input checked="" type="checkbox"/>
Will you be using any novel, or technologically advanced systems or processes? Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised		<input checked="" type="checkbox"/>

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; this includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	Approve the revenue budget
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council's key strategy priorities?	No
Name of assessor:	Andy Walker
Date of assessment:	18.1.19

Is this a:		Is this:	
Policy	No	New or proposed	Yes
Strategy	No	Already exists and is being reviewed	No
Function	No	Is changing	No
Service	No		

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	Set a revenue budget
Objectives:	Balanced budget
Outcomes:	
Benefits:	Statutory requirement

2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		

3 Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer:	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

4 Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: Andy Walker

Date: 18.1.19

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.