BLACKBURN with DARWEN BOROUGH COUNCIL

REPORT OF:	**EXECUTIVE MEMBER RESOURCES, ON BEHALF OF THE LABOUR GROUP**
TO:	**FINANCE COUNCIL**
DATE:	**25th February 2019**

PORTFOLIOS AFFECTED: ALL

WARDS AFFECTED: ALL

SUBJECT: Revenue Budget 2019/20, Medium Term Financial Strategy and Capital Programme 2019-2022

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1. PURPOSE

To recommend to Finance Council the Budget Strategy and proposals for the Revenue Budget 2019/20, together with the Medium Term Financial Strategy (MTFS) and Capital Programme for 2019-2022.

2. RECOMMENDATIONS

To approve the proposals for the Revenue Budget for the financial year 2019/20 as outlined in this report and specifically;

2.1 To approve an increase in Council Tax rates of 2.99% (i.e. a weekly increase of £0.84 for Band D Council Tax payers and of £0.56 for Band A Council Tax payers)

2.2 To note the individual portfolio controllable budgets for 2019/20 as set out in **Appendix A**

2.3 To note the work that has been undertaken to implement the £8.0m savings programme (as outlined at **Section 6**) to ensure a balanced budget in 2019/20 and to offset any other emerging cost pressures in-year and/or replenish reserves ahead of more significant savings that may be required from 2020/21, once the outcome of the Fair Funding Review and Business Rates Retention Reviews are known.

2.4 To note the significant risks and uncertainty that underpin the assumptions contained within the MTFS for the financial year 2020/21, due to the lack of information that is yet to be provided by central Government including;

- the mechanisms for Business Rates Retention,
- the outcome of the Fair Funding Review and the resulting redistribution of resource,
- the Green Paper on Adult Social Care and the future plans for integration of health and adult social care and associated funding and
- the impact of Brexit

2.5 To approve the utilisation of the Earmarked Reserves, as detailed in the *Robustness of the 2019/20 Budget and the Recommended Level of Reserves Report*

2.6 To delegate authority for the agreement of hourly rates and contract changes for social care providers for 2019/20, arising from the impact of the increase in the National Living Wage, to the Executive Member for Adult Social Care, in consultation with the Executive Member for Resources.

2.7 To approve the proposals for the Capital Programme for the period 2019-2021 as outlined in **Appendix C** and **Section 8** of this report

2.8 To approve the draft Medium Term Financial Strategy 2019-2022, as per **Appendix D** of this report

2.9 To approve, subject to recommendation **2.1** outlined above, the consequent Council Tax levels detailed in the formal resolution within the report from the Director of Finance & Customer Services

2.10 To exercise the flexibility given by central government to increase the premium charge on empty properties as follows;

- for those properties that have been empty for more than 2 years, to increase the premium from 50% to 100% with effect from 1st April 2019 (as agreed at Council Forum on 24th January 2019),
- for those which have been vacant for five years or more to 200% with effect from 1st April 2020
- for those which have been vacant for ten years or more to 300% with effect from 1st April 2021

2.11 To approve the Pay Policy Statement prepared in accordance with the requirements of Section 38 of the Localism Act 2011, including changes to the Executive and Chief Officer posts, to have effect for the year 2019/20 unless replaced or varied by the Council as set out in **Appendix E**.

2.12 To approve Denise Park, Chief Executive designate, as Acting Returning Officer for any constituency or part of the constituency coterminous with or contained in the Borough of Blackburn with Darwen, and Returning Officer for the elections of councillors for Blackburn with Darwen Borough Council from 26th March 2019. In addition approve Denise Park to act as Electoral Registration Officer for Blackburn with Darwen Borough Council from this date.

3. BACKGROUND

In balancing the Council's finances to meet the unprecedented financial challenges posed by the Government's austerity policy since 2010, combined with an ever increasing demand for services, difficult decisions have had to be made;

- some services have been curtailed, and in some instances have had to cease,
- staff have been made redundant and
- contributions to partnership and contract working have had to be scaled back,

Whilst Finance Council approved a balanced budget for 2018/19 and a Medium Term Financial Strategy (MTFS) for the period through to 2020/21 back in February 2018, this was predicated on some very challenging assumptions including;

- delivery of the remaining savings projects in scope and agreed at that date
- development of a further savings programme in order to address the projected budget gap for 2019/20
- a general increase in Council Tax in each year covered by the strategy
- absorption of inflationary, non-pay increases, across all budgets

The MTFS for 2019/20 identified a budget gap of £4.9 million; this was based on the funding contained within the last year of the Government's 4-year settlement, and other financial and demand information available to the Council back in January/February 2018. However as 2018/19 has progressed, further pressures have emerged that were not built into these figures, including further rises in demand in both Adult Social Care and in Children's Services, the latter resulting in significant cost increases for Children's Social Care. Both services have experienced continued increases both in the volume of people using these services and in particular the complexity of service user needs; 2018/19 has also seen increased demand pressures on highways and other cost pressures in relation to waste disposal.

To address these pressures we have used both earmarked and unallocated reserves but, as some of these additional costs are of a recurring nature, they will require further support in 2019/20 and beyond, and will need to be addressed through further savings, re-prioritisation of resources and from additional income. Details of the movement in the Budget Gap for 2019/20 are set out in **Appendix B.**

In accepting the Government's offer of a 4 year funding settlement through to 2019/20, many of the income figures included within the report for 2019/20 are based on the actual funding figures confirmed, however the position for 2020/21 and beyond is much less certain.

The Government has for some time reported its intention to fundamentally change the way in which Councils are funded including;

- a complete review and reset of the funding requirements of each council area through a "Fair Funding" review,
- a move to 75% Business Rates Retention from 2020,
- the withdrawal of Revenue Support Grant (RSG)
- the withdrawal of some other government grants (as yet to be determined) and
- a review of the funding of Adult Social Care.

However given the demands of Brexit, the development of this new approach has been significantly delayed.

As reported to Finance Council last year, our MTFS would normally extend for a period of 3 years beyond the end of the budget year, i.e. in this case, through to 2022/23, however given that the Government has still not shared proposals for their intended approach, nor the mechanisms for calculating any local government finance settlement, the future funding arrangements beyond 2019/20 are impossible to plan for with any certainty. Therefore in preparing this MTFS, we have focused on the year 2019/20 until more clarity is provided over the next 12 months. Whilst we have included figures for 2020/21 and 2021/22 within this report, these are based on scenario modelling for the impact of possible changes to funding streams, together with estimates of the future cost of existing services and the financial impact of emerging cost pressures, all of which are detailed in **Appendix D**. We will therefore update Council on any changes to these assumptions as further information is provided to us during the course of 2019/20.

This paper sets out the Labour Group's proposed Revenue Budget, Capital Programme and associated Council Tax level for 2019/20 together with the MTFS for the period 2019-2022 based on a review of the existing assumptions and data to reflect the most current information available.

4. RATIONALE

It is a statutory obligation for the Council to set a balanced Revenue Budget for the financial year 2019/20.

The key principles upon which both the Budget and the MTFS are based are:

- to balance the Council's budgets in each year of the MTFS period, ensuring that the Council has a sustainable and robust financial position in future years
- resourcing of services in line with statutory requirements and Council priorities, focusing on customer care and quality services against a backdrop of reducing resources
- planning for and managing change, whether related to need, demand for services, technological advances, legislation, local aspirations or resource allocation
- introducing a digital first approach to services whilst providing assistance and signposting to those who need it
- embedding a culture of value for money and efficiency savings (cashable and non-cashable) in all activities
- devolved budget management to Executive Members (with portfolio) and Directors
- balancing Council Tax increases with funding cuts and budget pressures
- maximising resources whether through grants, creating additional income or partnering opportunities
- ensuring significant risks are identified and mitigated where possible
- ensuring financial reserves reflect levels of business risk
- optimising capital spending freedoms

5. KEY ISSUES – RESOURCES

5.1 Local Government Finance Settlement.

The Local Government Finance Settlement sets out the amount of central Government funding that is available to each Council.

The Government's offer of a 4 year settlement in 2016/17 provided some clarity on which to base our MTFS for the period through to 2019/20. Having accepted this settlement, the Council is required to publish an Efficiency Plan based on savings plans and information contained within the Budget and MTFS; subject to approval of the attached 2019/20 Budget and MTFS 2019-2022, in publishing this report and the supporting documents, we are able to meet this obligation.

5.2 Core Spending Power

The Core Spending Power figure is provided to us by the Government as part of the Finance Settlement; it is a Government calculation and is an estimate of the core revenue funding available for local authority services, including Council Tax and locally retained Business Rates, with estimates of Council Tax income being based on the

Government's assumption that councils will apply the maximum increases available to them for the year ahead;

Core Spending Power	2018/19	2019/20	Change	Who Pays
	£'m	£'m	£'m	
Settlement Funding Assessment (SFA)	60.71	57.16	(3.55)	Govt
Council Tax Requirement	50.35	53.03	2.68	CT Payers
Adult Social Care Support Grant	0.47	0.00	(0.47)	Govt
Improved Better Care Fund	5.90	7.34	1.44	Govt
Adults Winter Pressures Grant	0.76	0.76	0.00	Govt
Social Care Support Grant	0.00	1.31	1.31	Govt
New Homes Bonus	1.23	0.94	(0.29)	Govt
Compensation for under-indexing the business rates multiplier	0.98	1.43	0.45	Govt
Total	**120.40**	**121.97**	**1.57**	

This calculation does not make any allowances for additional costs nor does it reflect inflationary and demand pressures which are expected to be self-funded by the Council. The figure shows that Government support has fallen a further £1.11m whilst £2.68m must be raised from Council Tax Payers to meet their figure of spending power.

5.3 Settlement Funding Assessment (SFA)

Every year a Settlement Funding Assessment (SFA) is announced for each authority by the Secretary of State; this represents an assessment of the level of resources required by the authority which will be met from Business Rates and Revenue Support Grant in the year.

As part of the multi-year settlement, figures have been provided for 2019/20.

SFA is defined as the sum of a local authority's;

- Baseline Funding Level (BFL) and
- Revenue Support Grant (RSG)

*(see **section 5.3.2** below)*.

The BFL is split between resources received via:

- an assessment of what the Government believes the Business Rates will be for the borough, and the Council's share of this plus
- a top-up element provided by central Government, as detailed below

However during 2018/19, the Council, along with 13 of the other 14 councils across Lancashire (county, unitaries and districts), submitted a successful bid to become a Lancashire 75% Business Rates Retention (BRR) Pool Pilot for 2019/20; this was one of only 15 bids approved in the country as part of the Provisional Local Government Financial Settlement in December 2018.

As such, the comparison of the increase in the SFA for 2019/20 is significantly different to that of the previous year as it is calculated on a different basis. The detail below provides a comparison and includes figures based on both the actual SFA, as per the 75% BRR, and what it would have been if we had continued with the current 50% BRR model.

	2018/19 £m	2019/20 £m	2019/20 £m	2020/21 £m	2021/22 £m
	50% BRR	**Based on 50% BRR**	**Based on 75% BRR**	***75% BRR***	***75% BRR***
Settlement Funding assessment (SFA)	**60.71**	**57.16**	**57.16**	****57.16***	****57.16***
Funded by**:**					
Revenue Support Grant	17.84	13.31	-	*-	*-
Business Rate Baseline Funding Level (BFL)	42.87	43.85	57.16	**57.16*	**57.16*
Comprising					
- notional level of Business Rates retained by BwD (the Business Rates Baseline)	19.37	19.96	29.95	**29.95*	**29.95*
- Top-up funding provided by Government	23.50	23.89	27.21	**27.21*	**27.21*
Reduction in SFA		**(3.55)**	**(3.55)**	***-**	***-**

** Given the Government's intention to move to 75% BRR from 1st April 2020, the figures for 2020/21 and 2021/22 have been estimated by the Council based on an assumption that the approach to 75% BRR from that date will follow that of the Lancashire 75% BRR Pool Pilot, and that the SFA will remain at its 2019/20 level.*

5.3.1 Revenue Support Grant (RSG)

Revenue Support Grant (RSG) is the main central Government grant given to local authorities and can be used to finance revenue expenditure on any service.

The reduction in the grant to date has been significant, from a figure of £49.6m in 2015/16 down to what would have been £13.3m in 2019/20 had the Council not been part of the successful Lancashire BRR bid.

The condition of the pilot model is that RSG is foregone in favour of retention of an increase in the level of retained business Rates from 50% to 75%.

5.3.2 Local share of Business Rates

Background

Under the current 50% business rates retention system, at an individual authority level, the amount of business rates income retained is determined by the relationship between its Baseline Funding Level (BFL) and Business Rates Baseline (BRB) where;

- the BFL is the level of business rates income that the government determines that the authority needs to meet its 'Relative Need' (as determined following the national Relative Needs Assessment' exercise undertaken in 2011) and dependant on the total resources available within the national Local Government Finance Settlement and

- the Business Rates Baseline is the amount of business rates income an authority is predicted to raise.

Where a local authority's Business Rates Baseline is greater than its Baseline Funding Level, then the authority pays the difference as a 'tariff' which is then redistributed to those authorities where their Business Rates Baseline is less than their Baseline Funding Level, as in the case of Blackburn with Darwen; this is known as 'top-up'.

50% of the growth in an authority's locally raised Business Rates above its Baseline Funding Level can be retained with the other 50% passed over to central government.

The system now requires resetting in order to ensure that the distribution of resource remains aligned with changes in 'Relative Need' over the past 8 years.

Within the current system there is currently a mechanism for redistribution of funding;

- the Council is able to retain 49%
- 1% is passed to the Fire Authority and
- 50% (the central share) is paid over to the Government.

The Business Rates multiplier (unit charge) is subject to an inflationary uplift each year, at a rate determined by the government and applied nationally for all businesses to pay.

Any gain or reduction in Business Rates, above or below the Government's figure of what they estimate the authority will receive (as detailed in the table above) is also passed on the three parties in the same percentages.

A **"safety net"** mechanism provides additional funding for any Council that suffers a reduction in their total Business Rates income of more than 7.5%; i.e. the loss to the Council is capped at 7.5%, although the consequences of the national business revaluation exercise were exempt from this for although the total rates payable in the borough decreased with effect from 2017/18, the provisions of the Business Rates Retention mechanism ensured that the impact of the revaluation was neutral as the Government increased the 'top-up' payment to the Council. Whilst this stabilised the level of funding, it also increased the Council's future reliance on Government funding.

2019/20 pilot scheme

As noted above, following a successful bid submission, the Council is now a member of a Lancashire 75% Business Rates Retention Pool Pilot.

Following the modelling exercise undertaken by the Lancashire Chief Finance Officers Group on the 2018/19 National Non-Domestic Rates Form 1 Returns (NNDR1), based on all participating authorities, it was identified that approximately £7.1m of predicted additional growth could be retained within the county under a 75% BRR scheme, of which Blackburn with Darwen's share would be £1.26m.

The mechanics of the successful bid include;

- Retention of an additional 25% of business rates growth (i.e. in the move from 50% to 75% retention)

- Loss of Revenue Support Grant (£13.3m in 2019/20 for BwD). The value of the RSG has been taken into account when revising the tariffs and top-up's for the pilot authorities with the intention that the impact on all participating authorities is revenue neutral *(as shown in the SFA breakdown in **section 5.3** above).*

- As a participating authority, we are exposed to a higher level of Business Rate risk for the duration of the pilot, i.e. for 2019/20, as we will also face a higher share of any losses arising as a result of appeals, bad debts and empty premises; i.e. the authority will share 75% of the cost of these rather than the 50% shared at present.

- The 2019/20 pilots do not benefit from the ‘no detriment’ clause enjoyed by the existing 100% BRR pilots (i.e. the clause through which government underwrites all losses within a pilot to ensure pilot members are no worse off by being a member of the pilot than they otherwise would be). Instead, the Safety Net threshold for the entire pool has been raised from 92.5% to 95% to recognise the increased risk sharing. i.e. the extent of the loss by the pool rather than the individual council is capped at 5%.

- Although the Safety Net threshold will only be activated by central Government on a pool wide basis, based on the 2018/19 NNDR1 figures, it seems highly unlikely that this will be triggered on the proposed Lancashire pilot. To minimise the risk to the pool, each authority will bear its own risk over and above the 5% Resilience Reserve created from the additional retained growth

- The first 5% of any additional growth in Business Rates in Lancashire (i.e. in the move from 50% to 75% BRR), will be used to create a ‘Resilience Reserve’ to mitigate against any associated, additional loss for any individual council as a result of them being a pilot member. If funds are remaining in this reserve at the end of the pilot, this will be used to further compensate individual councils facing a loss.

- A further 25% of the additional growth will be set aside to create a Lancashire wide fund to be used to target strategic economic growth and sustainability. This investment fund will be allocated on the basis of unanimous decision by members of the Lancashire Leaders Business Rates Pilot Group.

- The remaining retained growth will be apportioned according to the new tier splits i.e. Districts 56% (currently 40%); County Council 17.5% (currently 9%); unitaries 73.5% (currently 49%); fire 1.5% (currently 1%) to promote local economic growth and to enable the financial sustainability of pool members.

Whilst it is impossible to project with 100% accuracy the financial impact of 75% Business Rates Retention in 2019/20, the modelling undertaken on the 2018/19 Business Rate estimates (NNDR1 information) projected that there was potential for £1.26m of additional growth funding to be generated for Blackburn with Darwen Borough Council, from which a contribution to a Resilience Reserve and to an Investment Fund for use across Lancashire would be made; the projected net impact was retention of an additional £0.881m in the borough that would otherwise be retained by central government.

These figures have now been updated for the figures submitted within the 2019/20 NNDR 1 return and the projected net gain has increased to £1.25m as follows;

	2019/20 Income under 50% Retention Scheme	2019/20 Income under 75% Retention Scheme	Increase
Top-Up	23.89	27.21	3.32
Share of estimated Business Rates income	20.56	30.84	10.28
Share of Small Business Rate Relief Grant	2.35	3.53	1.18
Share of Localism Relief Grants – (incl new Retail Relief for properties with RV < £51k)	0.61	0.92	0.31
Less: Baseline Funding Level	(43.85)	(57.16)	(13.31)
Growth Above Baseline	**3.56**	**5.34**	**1.78**
Less: 5% Contribution to Resilience Fund	-	(0.09)	(0.09)
Less: 25% contribution to Lancashire Strategic Fund	-	(0.44)	(0.44)
Therefore additional Growth retained as a member of the 75% Pilot	**3.56**	**4.81**	**1.25**

Future scheme

Although the Government is intending to move to a national 75% BRR model in 2020/21, given the delays to date, we are unsure how their model will operate. A consultation on their high level proposals closed on 21st February 2019, and we expect further information to be provided on this as the year progresses. As such, we have assumed within the MTFS for 2020/21 and 2021/22 that the approach/mechanics of the Lancashire pilot will apply.

It must be noted however that the figures included are based on estimated figures for Business Rates growth, collection and for reliefs given in 2019/20, as per the figures we included in the National Non-Domestic Rates Form 1 Return (NNDR1) to MHCLG in January 2019. The actual figures for growth will not be known until after the 31st March 2020, on submission of our NNDR3 (outturn) return, and any shortfall in income against this will be recouped by government, or conversely, any additional monies arising from an increase above our projections, will be paid over to us and accounted for in the Business Rates Collection Fund

The associated income from this is included in **Appendix D - Section 5.0**

5.4 Council Tax

5.4.1 Council Tax – general

Blackburn with Darwen has the second lowest Council Tax in Lancashire.

Council Tax levels had remained frozen at their 2010/11 levels for 5 years until 2016/17 when, given the scale of the budget gap, the Council adopted a 1.99% increase in 2016/17 (i.e. the maximum general increase permitted under the Government's referendum cap), alongside reductions in expenditure and increases in other available income streams.

Within the Financial Settlement for 2018/19, the Government announced an increase in the referendum cap for 2018/19 and 2019/20 from 2.0% to 3.0% and as such, they assumed within the figures they provided in the SFA, that the Council would apply the maximum Council Tax increase permissible without the need for a referendum, i.e. 2.99%.

The Government has made it clear that they wish for Councils to progress quickly towards becoming self-sufficient through the income they generate, of which Council Tax is the most significant source of income. This is difficult to achieve in Blackburn with Darwen given the profile of the properties that are chargeable to Council Tax across the borough which, despite the impact of the increase in the number, type and size of properties built through the Housing Growth Programme, and unlike many other councils across the country, is significantly weighted towards those which generate a lower yield as the table below illustrates;

Number of Properties Chargeable to Council Tax								
Band A	**Band B**	**Band C**	**Band D**	**Band E**	**Band F**	**Band G**	**Band H**	**TOTAL**
As at 31st January 2019								
34,837	9,281	8,358	4,425	2,046	784	579	70	60,380
57.7%	15.4%	13.8%	7.3%	3.4%	1.3%	1.0%	0.1%	100.0%

5.4.2 Council Tax - Adult Social Care Precept

The Core Spending Power within the Financial Settlement for 2016/17 included an assumption that all authorities with responsibility for Adult Social Care would utilise the flexibility offered by Government to increase Council Tax in 2016/17 by an additional 2% without holding a referendum. This additional precept would be specifically used to assist in meeting expenditure on Adult Social Care functions. In 2017/18, the Government announced the option for Councils to continue to increase Council Tax through application of the precept, subject to a maximum increase of 3% in any one year and a total cap of 6% over the period 2017/18 to 2019/20; again the assumption was made within the Core Spending Power calculation produced by the Government that Councils would apply the maximum amount.

Given the scale of the mounting financial and demand pressures on adult social care services, the Council proceeded with the increase in 2016/17 and then applied a 3% increase in each of the following 2 years through to 2018/19 as presented to Finance Council last year; consequently, there is no further increase to be applied in respect of the Adult Social Care Precept in 2019/20.

5.4.3 Local Council Tax Support Scheme

Universal Credit (Full Service) commenced in the borough in February 2018. As such, most claimants making new claims for Housing Benefit, Job Seekers Allowance, Tax Credits, Income Support, Child Tax Credits or the Employment and Support Allowance (ESA), or those with certain changes in circumstances, now move over to receive Universal Credit and as such their Housing Benefit ceases as it is subsumed within the Universal Credit payment. Due to further government delays, the transition of people from the various legacy benefits is not expected to commence until 2020, with the expected completion date now being 2022

The Council remains concerned that residents who are eligible for Council Tax Support will not claim this as the former referral route through their Housing Benefit claim, will no longer be there; failure to do so could increase the financial difficulties of some of the most vulnerable residents in our borough. To try to minimise this risk, throughout 2018/19 we have been working in partnership with the Department of Work and Pensions (DWP) and we have funded two members of staff who, alongside staff from Shelter (with whom we have contracted to provide additional support in this area), are now based alongside DWP staff at the Job Centre+ office to support residents in their transition to Universal Credit and to ensure they claim Council Tax Support, if applicable. This is to help minimise the adverse financial impact that Universal Credit may have on our residents and to ensure that as far as possible, this doesn't add further burden to those in dire financial difficulty.

Following a national award of contract by the Department of Work and Pensions, with effect from 1st April 2019, the Citizens Advice Bureau (CAB) will provide a 'Help to Claim' service to Universal Credit claimants both face to face in the DWP offices across the country and through other support mechanisms (e.g. call centres, on line access). For several months we have been in dialogue with the Citizens Advice Lancashire West branch, who will deliver the service in Blackburn and Darwen, to try and ascertain the scope and future impact of their service on our residents however, due to late notification of the contract, and the fact it was negotiated at a national level, the mechanics of how this contract will operate in the borough are still being developed. As such, we have extended funding from our own resources to maintain the current arrangements with our staff and Shelter until 30th September 2019.

As part of the Council's savings programme, during 2018/19 we reviewed, and following consultation, we agreed changes to the Council Tax Support Scheme in the borough. Since the requirement to introduce a localised Council Tax Support scheme in 2013, the Council has maintained a scheme that has been broadly in line with the previous national Council Tax Benefit scheme rules and Housing Benefit legislation. Following the introduction and roll out of Universal Credit, and the corresponding withdrawal of Housing Benefit for such claimants, this is becoming increasingly impractical and so at Council Forum in January, we amended our policy to reflect this and made changes including;

- the introduction of a minimum income level for Council Tax Support claimants who are self-employed. The level will be set in line with Universal Credit rules which calculate the minimum earnings at 35 hours per week, multiplied up by the National Living Wage or National Minimum Wage, whichever is applicable.
- The introduction of a cap for the calculation of Council Tax Support which limits the award to a band B council tax liability.
- Introduction of standard non-dependent deduction amounts

5.5 Funding for Social Care

The publication of the Green Paper on adult social care has been delayed several times: from an original publication date of "summer 2017" and then to "the end of" 2017, a revised timeframe of "before the summer [Parliamentary] recess" (i.e. 25 July 2018) was announced. In June 2018, the then Health and Social Care Secretary announced a further delay to the "autumn" of 2018 following the announcement that a ten-year plan for the NHS would be developed; this was later tweaked to "before the end of the year". It will now be published "at the first opportunity in 2019" according to reported comments from the Government – no further details were provided as to when in 2019 publication might occur.

This has coincided with a period throughout which the Government has acknowledged that the increase in demand in this area, both current and projected, is unsustainable and that greater integration between health and social care is essential to addressing this. Despite the closer integration signalled in the Cabinet reshuffle of January 2018, when responsibility for social care moved from the Ministry of Housing, Communities and Local Government into the Department for Health, the recent release of the NHS 10 year Plan has not signalled any major changes to the approach that this will take and so we must await the Green Paper, on a date to be confirmed.

The detail below outlines the short term measures that have been introduced to assist in trying to address the funding shortfall in the interim;

5.5.1 Improved Better Care Fund

The Improved Better Care Fund was introduced in 2017/18, funded in part through reductions in the New Homes Bonus allocation, to provide specific funding for adult social care on an incremental basis up to 2019/20. In March 2017 additional iBCF funding was announced to provide assistance in alleviating some of the more immediate financial pressures on this service as follows;

	2019/20 £m	2020/21 £m	2021/22 £m
Improved Better Care Fund	6.26	6.26	6.26
Additional Improved Better Care Fund	1.08	1.08	1.08
TOTAL iBCF	7.34	7.34	7.34

The fund is allocated directly to Local Authorities through a separate Section 31 grant with the NHS and it is a requirement of the funding that iBCF is pooled and monitored together with the existing Better Care Fund.

Beyond 2019/20 there is no certainty for the future of either the iBCF funding or the additional iBCF funding and so, for the purposes of the MTFS, it has been assumed that the both the original iBCF and the additional iBCF will continue into 2020/21 and 2021/22 at their 2019/20 level; given the magnitude of the financial pressures on adult social care it is difficult to see how this can be addressed without a similar level of government funding being provided as a very minimum.

5.5.2 Adults and Children's Social Care

Aware of the persistent and significant pressures that local authorities are facing, the government announced in the Autumn Budget in October 2018 that they would provide additional resources across 2018-19 and 2019-20 to support social care. This funding includes £240 million in both 2018-19 and 2019-20 to support adult social care services to reduce pressures on the NHS over the winter months, and an additional £410 million Social Care Support Grant for local authorities to support adult and children's social care services. This has been distributed according to the existing Adult Social Care Relative Needs Formula and Blackburn with Darwen will receive;

- £0.764m – Adult Social Care Winter Pressures Funding and
- £1.31m - Adult and Childrens Social Care Support Grant.

The impact of the provision of these grants is offset to some extent by the withdrawal of the non-recurring £0.48m of Adult Social Care Support Grant allocated in 2018/19.

5.6 Dedicated Schools Grant (DSG)

DSG is paid in support of the local authority's schools budget and funding is now allocated in four notional blocks:

- Schools Block
- High Needs Block
- Early Years Block
- Central Services Block

The notional blocks are not individually ring-fenced but are ring-fenced in total and local authorities are responsible, in conjunction with their local Schools Forum, for determining the split of the grant between their own central expenditure and the Individual Schools Budget. The National Funding Formula for Schools determined by central Government is expected to be fully implemented for 2020/21, however for 2019/20, local authorities will continue to be responsible for allocating the Individual School Budget to individual schools in accordance with either a 'hard' National Funding Formula or 'soft' local schools' funding formula. For 2019/20 our local Schools Forum have agreed to continue with the 'soft' local funding formula.

For Dedicated Schools Grant the funding arrangements for 2019/20 are broadly similar to last year however there have been some changes between the DSG blocks of funding i.e. Schools, High Needs, Early Years and Central Services. All funding decisions taken by the Schools Forum are published in accordance with legislation.

5.7 Public Health

In 2019/20 the Public Health Grant remains as a ring-fenced grant to the Authority and as such reductions in funding are offset by a corresponding decrease in expenditure. For Blackburn with Darwen the 2019/20 allocation of grant is £14.44m (2018/19: £14.83m).

5.8 New Homes Bonus and Growth

5.8.1 New Homes Bonus

New Homes Bonus was introduced in 2011 as a "stimulus" for the provision of new homes and is a non-ring-fenced grant distributed between local authorities based upon new growth in housing provision in their area; the bonus covers new-build homes, conversions and long-term empty homes brought back into use, with an extra payment for providing affordable homes. The annual amount of the grant is based on one years' average Council Tax for the tax band in which the new home is expected to fall.

The length of time that the bonus is paid for, for each new home built, has reduced from 6 years when it was introduced, down to 5 years with effect from 2017/18 and down to 4 years from 2018/19.

The figures in the Finance Settlement have been incorporated into the 2019/20 budget and conservative estimates for 2020/21 and 2021/22 have been included in the MTFS as follows;

	2019/20 £m	2020/21 £m	2021/22 £m
New Homes Bonus	0.940	0.658	0.658

Payment of the bonus is only paid on housing growth above a baseline of 0.4%; growth below this level does not qualify for a bonus allocation. The Government has stated that it will retain the option of making adjustments to the baseline in future years in the event of a significant increase in housing growth.

Given the uncertainties around this funding, the MTFS assumes we have no new NHB in future years.

5.8.2 Growth Agenda

The Council remains committed to delivering a more prosperous Borough and as such, we have invested in a Growth Team which brings focus to all development activities within the area, and that works with all landowners, private developers and funding agencies to bring forward residential, commercial, town centre and infrastructure projects; these projects support the MTFS through increases in Business Rates, Council Tax and New Homes Bonus.

To date the Council has delivered 2,554 new homes in the Borough under the Local Plan since 2011 either through new build, conversions or bringing empty homes back into use. To widen the choice of housing in the borough, 700 of the new homes have been affordable.

5.9 Brexit

It was announced in January 2019 that funding would be made available to help local authorities with specific costs which may arise due to Brexit. £40 million is to be allocated to all local authorities across the financial years 2018/19 and 2019/20, of which all unitary councils will receive £210,000; i.e. £105,000 in each financial year.

This funding has been included within Earmarked Reserves to be allocated as Brexit associated costs and cost pressures emerge.

5.10 Fees and Charges

Executive Members, in conjunction with Chief Officers, regularly review all fees and charges for each portfolio. The Council has delegated authority to Chief Officers, in consultation with the relevant Executive Members and the Director of Finance and Customer Services, to agree changes where required.

Increases in fees and charges for existing services, together with the expansion of existing and the development of new services, have all contributed to addressing the budget pressures of the last few years and they will continue to do so.

6. KEY ISSUES - EXPENDITURE

Given the scale of the financial challenge over the past few years, throughout the course of 2018/19 Executive Members and Officers have continued to review all services and worked to deliver the agreed budget reductions.

The development of a continuous approach to reviewing budgets, identifying cost pressures and the development and implementation of agreed strategies and options to manage costs within the resources available, has significantly assisted in managing the budget, however despite the efforts of Executive Members and Officers, the scale of the funding reductions combined with increases in demand for services and unfunded cost pressures, has meant that further expenditure reductions have been required during 2018/19 and on into 2019/20, in addition to those already implemented since 2010.

The MTFS for 2019/20, as presented to Finance Council in February 2018, identified a budget gap of £4.9 million; this was based on the funding contained within the last year of the Government's 4-year settlement, and other financial and demand information available within the Council back in January/February 2018.

Following work completed over the summer months, the figures were refined to reflect updated information and projections and savings options were then developed and agreed in September and October to close the gap, and also to reflect new and emerging pressures as outlined below;

	Budget gap and cost pressures (see Section 6.1 below)	Officer Decisions and Actions Taken	Executive Member/Executive Board Decisions	Residual Net Pressures
Health & Adult Social Care	2.327	(0.802)	(1.525)	0.00
Children, Young People and Education	2.319	(1.321)	(1.377)	(0.379)
Neighbourhoods and Prevention	0.161	(0.111)	(0.065)	(0.015)
Environment	1.695	(0.206)	(0.437)	1.052
Leisure & Culture	0.698	(0.160)	(0.388)	0.150
Regeneration	0.637	(0.456)	(0.580)	(0.399)
Resources	0.390	(0.459)	(0.020)	(0.089)
TOTAL	**8.227**	**(3.515)**	**(4.392)**	**0.320**

Of the £8.227m cost pressures identified above, approximately £5.8m relates to demand pressures (as noted in Section 6.1 below) in respect of Adult Social Care, Children's Services and Environment, with other cost pressures identified reflecting overspends and income shortfalls over a range of cost centres within the £116m portfolio budgets.

The savings programme developed to close this gap includes;

	Savings Programme
Efficiencies/Demand Management	4.018
Increased Income	0.659
Workforce Savings	1.457
Alternative Service Delivery Models	1.773
TOTAL	**7.907**

Details of the movement in the Budget Gap for 2019/20 are detailed in **Appendix B** to this report.

6.1 Portfolio Budget Pressures

In delivering the budget for 2019/20 and in trying to develop the MTFS, despite the significant uncertainties regarding future funding mechanisms and the impact of this on the Council's level of resource, we have reviewed the budget pressures faced across all of the portfolios and modelled the impact of actual and potential reductions in funding noted above.

An overview of some of the most significant cost pressures within the portfolios are outlined below. A number of these have been funded corporately within the 2019/20 budget and in the figures presented within the MTFS through to 2021/22 however, whilst the Council is recommended to approve a balanced budget for 2019/20, this is predicated on the delivery of the remaining projects/areas within the savings programme developed over the course of 2018/19, and on the containment of all current and emerging cost pressures within each portfolio.

6.1.1 Health and Adult Social Care

The portfolio has again faced another challenging year in 2018/19, like the majority of councils with responsibility for social care. Whilst there has been additional funding provided through the additional iBCF and the additional Winter Pressures funding, the portfolio have needed to utilise the majority of this funding to contain ongoing financial pressures. In addition, the portfolio has continued to implement a variety of demand management strategies and alternative ways of delivering services which has enabled them to manage the increases in demand and increased costs due to the complexity of service user needs which have not abated. A breakeven position is forecast at 31st March 2019.

2019/20 is expected to be another challenging year for Adult Social Care as the portfolio will need to continue to deliver efficiencies to address current levels of demand and the increased cost of care arising from the National Living Wage. In addition the MTFS provides a limited resource in future years within earmarked reserves, should demand increase beyond the level assumed within the portfolio's budget.

6.1.2 Children, Young People and Education

During 2018/19 the Children, Young People and Education portfolio has been faced with mounting cost pressures due to increasing social work caseloads in respect of vulnerable children, combined with increasing expenditure on commissioned placements and special guardianship orders. The number of children entering the care system, and the number of looked after children, have increased significantly during the course of 2018/19, giving rise to increased placement costs predominantly due to the limited capacity of in-house services and changes in complexity of need for individual children and young people. Whilst the portfolio continues to review services to offset financial pressures, options to mitigate the difficult financial position are much reduced; as such, containment has not been possible which has placed a heavy reliance on the use of Council reserves.

To address the ongoing pressures into 2019/20, the portfolio will invest in an alternative placement strategy to re-focus on, and build capacity in, our more cost-effective 'in-house' services. They will continue workforce transformation to strengthen our 'front door' to respond to, and manage, demand for services more effectively. In addition the MTFS provides for some additional demand in future years within earmarked reserves, should demand increase beyond the level assumed within the portfolio's budget.

6.1.3 Environment

The portfolio has reported pressures in 2018/19 arising from shortfalls on income targets for car parking income and increased waste tonnages in 2018/19. For 2019/20 the budgets have been realigned to address the income shortfalls and to increase waste budgets for known price increases and estimated tonnages.

6.1.4 Regeneration

The portfolio has been facing significant pressures, particularly on the budgets for the markets, for highways and for winter road maintenance. These pressures have been managed in 2018/19 by driving through efficiencies in working practice and the realisation of cost reductions and one off savings. As such, for 2019/20 and the period of the MTFS, the current pressures have been addressed through the corporate budget setting process.

6.2 Other Pressures

6.2.1 Pay Awards and Pay Policy

Pay Award
The NJC pay agreement for 2018 – 2020 consisted of a flat rate pay increase of 2% in both 2018/19 and in 2019/20, with higher increases for the lower pay points; the agreement also included the introduction of a new pay spine with effect from April 2019.

Each Local Authority has been required to consider the local implications of the new pay spine and how it affects our grades. As such, we have been able to come to a local collective agreement with the trade unions on the adoption of the new pay spine, and in doing so, we are one of the first Local Authorities in the North West to achieve this; we have also engaged with schools in the Borough recommending that they adopt the same arrangements as the Council.

The cost of the pay award for 2019/20 will be approximately £387,000 which is not funded by the Government.

In the absence of any further information at this point, the MTFS also assumes further 2% pay awards for both 2020/21 and 2021/22; as is our standard approach, it is also assumed that the costs of incremental progression will be met from efficiencies and savings made within the individual portfolios.

Local Living Wage
Unlike previous years, as the new spine has resulted in the minimum salary rising from £8.50 per hour to £9 per hour, we no longer need to adjust the council’s pay rates to meet the Local Living Wage level as this rate is now subsumed within the bottom of the new pay spine.

Senior Management Structure
In December 2018 the Council Forum approved a new Executive and Chief Officer structure for the Council which included the deletion of the post of Deputy Chief Executive noting savings to the Council to be fully realised in 2020/21. The Chief Officer Employment Committee have recently agreed the implementation arrangements to achieve these savings which will include the proposal for the payment of a Special Responsible Allowance (SRA) of £7,641 per annum to a Director to deputise in the absence of the new Chief Executive. Currently an SRA is only paid to the posts of

Director of Childrens' Services and Director of Adults and Prevention for their statutory DCS and DASS responsibilities respectively. The proposals for the allocation of a additional SRA is incorporated in the Pay Policy Statement attached as **Appendix E**. This Pay Policy Statement is prepared in accordance with the requirements of Section 38 of the Localism Act 2011 and is presented for approval.

Returning Officer

The Chief Officer Employment Committee also considered the arrangements for the 2019 local elections and recommend to the Council that the Chief Executive designate, Denise Park be appointed Returning Officer from the date of the commencement of the full elections process i.e. 26th March 2019, in addition to the previously approved roles for Electoral Services and General Elections from her appointment on 1st May 2019.

The Pay Policy Statement, including this and other updates, is set out in **Appendix E**.

6.2.2 National Living Wage

Increases have been confirmed in the National Living Wage level of £0.38 to £8.21 with effect from 1st April 2019 (for workers aged 25 and above. Increases have also been confirmed in the National Minimum Wage levels as follows;

- Increase from £7.38 to £7.70 per hour for 21-24 year olds
- Increase from £5.90 to £6.15 per hour for 18-20 year olds
- Increase from £4.20 to £4.35 per hour for 16-17 year olds
- Increase from £3.70 to £3.90 per hour for apprentices

These increases have significant impact on our external providers, specifically those providing social care including residential and domiciliary care.

The commissioning budgets included in the 2019/20 budget include some provision for increases in provider hourly rates and contract changes from the increase in the NLW with effect from 1st April 2019, however until discussions to determine the impact of this with providers are held and fully understood, and the contract negotiations are completed, it is not possible to precisely quantify them this at this stage. In addition the portfolio will look to contain the increased cost of provider fees through the delivery of efficiencies and alternative delivery models.

In the Autumn Budget of 2018, the Chancellor confirmed that in 2019, the government will set the Low Pay Commission's (LPC) remit beyond 2020, to align with governmental aspirations of ending low pay. The government has said that it will consult with the LPC and other related parties in the coming months to set an appropriate policy and take account of the potential impact on employment and economic growth; the government's objective is for the national living wage to reach 60% of median earnings by 2020, subject to sustained economic growth.

Provision has been made within the MTFS for NLW increases in future years however as indicated above, it is not possible to precisely quantify the full financial impact of NLW increases year on year due to changes in demand and the care provider market.

It is recommended that delegated authority is given to the Executive Member for Health and Adult Social Care, in consultation with the Executive Member for Resources, to agree the hourly rates and contract changes with social care providers in 2019/20 applicable from April 2019.

6.2.3 Pensions

Following the triennial actuarial valuation of the Local Government Pension Scheme in 2016, as agreed, a further stepped increase of 1.4% has been applied in 2019/20 in respect of Employer Pension contributions for the Blackburn with Darwen Borough Council section of the fund. This reflects the staged increase from 12.4% in 2016/17 to 14.8% in 2019/20, (with increases of 0% in 2017/18, 1% in 2018/19 and 1.4% in 2019/20). The increase in costs is required to meet the projected increase in the value of the future liabilities of those staff currently working in the organisation and who are in the pension fund.

As agreed with the Scheme Actuary and the Lancashire Local Pension Board, the Council will continue to repay the scheme deficit over an agreed 19 year repayment period and has reduced costs further, by approximately £0.75m over the 3 years to 2019/20, by taking advantage of the discount offered for a 3 year advance payment in respect of this.

The next triennial actuarial valuation, applicable to contributions from 1st April 2020 through to 31st March 2023, will be based on the scheme assets and projected liabilities in March 2019; whilst Equity markets have performed strongly since March 2016, despite a more volatile period in 2018, given the uncertainties in global markets, and in the UK caused by Brexit, it is difficult to tell at this stage whether Employer Contributions in to the scheme will increase, remain the same or reduce; as such we have assumed within the MTFS that these will remain at their 2019/20 levels.

6.2.4 Apprenticeship Levy

The 2019/20 budget and MTFS also reflect the Apprenticeship Levy introduced in April 2017, which is an unfunded tax charged at 0.5% on the total wage bill for organisations with a payroll of over £3.0m. Employers in England can reclaim their contributions in the form of digital vouchers to pay for apprenticeship training programmes for both new and existing staff; this excludes however the costs of wages, travel, management costs, work placements or the running costs of the apprenticeship programme itself.

The Council has worked hard to ensure we fully utilise the digital vouchers created which in the main has assisted in the costs of training the apprentices recruited into the workforce during 2017/18 and 2018/19, and we intend to recruit more apprentices during 2019/20 as part of our workforce development strategy. Support of approximately £0.212m is included within the 2019/20 Budget to corporately fund the salary costs of a rolling programme of approximately 20 trainees each year. Any apprentices taken over and above this number will be funded from within the respective portfolio budgets.

6.2.5 Inflation

Based on the information released by the Office of National Statistics in January 2019, the Consumer Price Index (CPI) for December stood at 2.1%.

Within the 2019/20 Budget and MTFS, provision has only been made for specific inflation on more volatile areas of expenditure such as utilities and waste and also for agreed price inflation within our larger contracts. For more ‘general consumables’, it has been assumed that this will be contained within existing budgets.

The commissioning budgets for adult social care do include some provision for increases in provider hourly rates and contract changes arising from the increase in the National Living Wage, however until discussions to determine the impact of this with providers are held and fully understood, and the contract negotiations are completed, it is not possible to precisely quantify them at this stage.

7. SUMMARY

In light of the Local Government Finance Settlement for 2019/20 and the financial constraints on the authority, the Leader and the Executive Members will work with Officers to continuously review the allocation and use of resources including continued review of all expenditure and income budgets, of contractual commitments and property holdings and implementation of savings plans as required, set within the context of the Council's statutory responsibilities and corporate priorities.

Although we are able to recommend for approval a balanced budget for 2019/20, we cannot be complacent as this is predicated on estimates and assumptions that are not without risk;

- Risk that the forecast and provisions for demand are outstripped
- Risk that the expected income streams are not realised
- Risk that the use of strategic reserves may not be possible

The MTFS highlights a budget gap for 2020/21 of £5.719m, and for 2021/22 of £6.591m, although as noted throughout the report, there is significant uncertainty around the assumptions used to produce the figures in both these years given the lack of information provided by central Government at this time.

We join with colleagues in other authorities, through our membership of SIGOMA (Special Interest Group of Municipal Authorities) and through the LGA (Local Government Association) to lobby government for an urgent focus on the short and long term funding arrangements for local government; without this, it is impossible to plan financially not only in terms of our growth and development, but also in respect of identifying further cost reductions or service redesign and delivery; the current short-term, stop-gap measures are no longer sustainable.

Nonetheless, we will continue with the strategy that has served us well throughout the period of austerity to date, by continuously monitoring and reviewing both our income and expenditure streams, keeping abreast of the financial implications of developments both locally and nationally, and ensuring we develop and implement plans to deliver efficiency savings, maximising opportunities for growth and income generation within the financial constraints faced and pursuing prevention measures to curtail, or at least defer, demand.

We undertake to keep Council updated on developments on the future funding regime, and the impact this will have on Blackburn with Darwen, as the year progresses.

8. CAPITAL PROGRAMME 2018-2021

In order to deliver the Capital Strategy, we recommend Finance Council approve the proposed Capital Programme for 2019 through to 2022 of £47.1m, as detailed at **Appendix C**. The programme recognises the importance of investment in the Borough and the impact that the schemes themselves will have on the regeneration and economic growth of the area in the future.

The programme is predominantly comprised of existing commitments including investment in:

- our local transport plan, including both our successful Growth Deal 3 bid to open up the Pennine gateways around the borough and our Fabric Borders scheme, all of which will facilitate housing and business growth
- aids and adaptations through provision of disabled facilities grants
- regeneration of the borough, including our scheme at Blakey Moor to enhance the town centre in Blackburn and support the improvement of leisure facilities and a night time economy, incorporating a cinema complex development
- facilitating housing and business growth
- support of income generation and commercialisation opportunities
- support of continued investment in IT services to underpin our 'digital first' approach to delivering efficiencies and in turn, cash savings
- support of our accommodation review which again will drive efficiencies and savings through rationalisation and a more cost effective use of space

Before projects are allocated funding however, they are subjected to a rigorous business case approval process and detailed Member reports are produced in line with financial procedures as required.

The programme will contribute towards the achievement of the Council priorities by creating more jobs and supporting business growth in the borough through construction, improving transport networks and enhancing the town centre, by improving housing quality and building more homes and also in assisting to deliver efficiencies and savings through the rationalisation of accommodation and maximising the use of technology to streamline services and processes.

Current commitments will continue to be reviewed to bring forward any additional schemes, subject to approval of robust business cases, and capital allocations for the schools in the borough will be added to the programme when provided by the Department of Education.

9. LEVEL OF RESERVES

As noted in the report 'The Robustness of the 2019/20 Budget and the Recommended Level of Reserves', the Director of Finance and Customer Services is recommending to Finance Council that the minimum level of Unallocated Reserves for 2019/20 remains at £4.0m.

10. COUNCIL TAX

The assumptions made within these budget proposals, which are in line with those made by the Government, are that the Council will increase Council Tax in 2019/20 by 2.99% reflecting a general increase in Council Tax to cover increases in the cost of Council services

11. MEDIUM TERM FINANCIAL STRATEGY

The MTFS 2019 to 2022 at **Appendix D** has been reviewed and updated, incorporating;

- the funding allocation for 2019/20, representing the final year of the Government's 4 year settlement "offer" which was accepted by the Council in October 2016

- estimates for income and resources for 2020/21 and 2021/22, acknowledging that these are made in the absence of any information or detail regarding the allocation of local government funding for 2020/21 and beyond (i.e. the redistribution of local government funding as determined by the Fair Funding Review, the mechanics of the future Business Rates Retention Scheme, and the future provision and allocation of any other Government grant funding streams)

- other projections, forecasts and assumptions in relation to expenditure, inflation, interest rates, pensions, as outlined in **Appendix D.**

12. CONCLUSION

The proposed revenue Budget Strategy will continue to focus on delivering the Council's priorities and will try to minimise the impact of spending cuts through the delivery of quality efficient and effective services to, and for, the citizens of this borough, whilst ensuring the Council operates within the financial constraints imposed by central Government.

13. APPENDICES

- Appendix A - Budget Summary 2019/20 and Portfolio Controllable Budgets
- Appendix B - Balancing the 2019/20 Budget Gap
- Appendix C - Capital Programme 2019-22
- Appendix D - Medium Term Financial Strategy 2019-22
- Appendix E - Pay Policy Statement 2019/20

14. POLICY IMPLICATIONS

The budget process is the mechanism by which the Council allocates resources so that it can achieve its policy objectives agreed at Policy Council.

15. FINANCIAL IMPLICATIONS

The budget process will determine the Council's net revenue expenditure for 2019/20, the Capital Programme and the level of Council Tax, together with indicative figures for the following 2 years through to 2021/22.

16. LEGAL IMPLICATIONS

The Council is legally obliged to set a balanced budget. The Local Government (Standing Orders) (England) (Amendment) Regulations 2014, which came into force on 25 February 2014 require local authorities to record in the minutes of a budget decision meeting the names of persons who cast a vote for or against the decision or who abstained from voting.

17. RESOURCE IMPLICATIONS

Decisions taken during the budget process will affect the resources allocated to all service areas.

18. EQUALITY IMPLICATIONS

All proposals where appropriate are subject to an Equality Impact Assessment before implementation.

19. CONSULTATIONS

The Council is committed to consultation with residents, businesses, partners and stakeholders. Over the course of 2018/19, consultation exercises have been conducted with both residents and businesses across the borough through face to face contact, postal surveys and via on line surveys to find out opinions on council services, views on proposed changes to services, and their preferred approaches to delivering savings and balancing the budget e.g. Resident Survey, Council Tax Support Scheme changes, consultation on residential disabled parking bays, National Highways and Transport Survey and the Disabled NoW Card changes.

This feedback has helped to shape the 2019/20 and MTFS proposals.

CONTACT MEMBER: **Councillor Andy Kay, Executive Member for Resources**

DATE: **25th February 2019**