Report of:	Meeting	Date
Clare James, Corporate Director Resources (S151 Officer)	Cabinet	12 February 2020

Revenue Budget, Council Tax and Capital Programme

1. Purpose of report

1.1 Confirmation of the Revenue Budget, Council Tax, Revised Capital Budget 2019/20 and Capital Programme 2020/21 onwards.

2. Outcomes

2.1 The Council's Revised Revenue Budget for 2019/20 and the Revenue Budget for 2020/21.

2.2 To recommend Wyre Borough Council's Council Tax for 2020/21.

2.3 The Council's Revised Capital Budget 2019/20 and the Capital Programme 2020/21 onwards.

2.4 The relevant Prudential and Treasury Management Indicators in accordance with the requirements of the Prudential Code for Capital Finance.

3. Recommendations

3.1 That the following be approved:-

a. The Revised Revenue Budget for the year 2019/20 and the Revenue Budget for 2020/21.

b. For the purpose of proposing an indicative Council Tax for 2021/22, 2022/23, 2023/24 and 2024/25, taking into account the Medium Term Financial Plan at Appendix 2 which reflects an increase of £5 each year, any increase will remain within the principles determined by the Government as part of the legislation relating to Local Referendums allowing the veto of excessive Council Tax increases.

c. Members' continuing commitment to the approach being taken regarding the efficiency savings, detailed within the Council's 'Annual Efficiency Statement' at Appendix 1.

d. Any increases in the base level of expenditure and further additional expenditure arising during 2020/21 should be financed from existing budgets or specified compensatory savings, in accordance with the Financial Regulations and Financial Procedure Rules.

e. The use of all other Reserves and Balances as indicated in Appendices 4 and 5.

f. The manpower estimates for 2020/21.

g. In accordance with the requirements of the Prudential Code for Capital Finance, those indicators included at Appendix 7.

h. The Revised Capital Budget for 2019/20 and the Capital Programme for 2020/21 onwards.

3.2 That it be noted that, in accordance with the Council's Scheme of Delegation, as agreed by Council at their meeting on 24 February 2005:

a. The amount of 37,300.46 has been calculated as the 2020/21 Council Tax Base for the whole area [(Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and

b. A Council Tax Base, for dwellings in those parts of its area to which a Parish precept relates, has been calculated as indicated below.

Barnacre-with-Bonds	967.31
Bleasdale	58.22
Cabus	621.24
Catterall	889.10
Claughton-on-Brock	379.85
Fleetwood	6,541.40
Forton	581.83
Garstang	1,831.85
Great Eccleston	634.36
Hambleton	1,071.50
Inskip-with-Sowerby	371.96
Kirkland	138.11
Myerscough and Bilsborrow	451.42
Nateby	217.51
Nether Wyresdale	335.67
Out Rawcliffe	268.05
Pilling	821.78
Preesall	1,901.05
Stalmine-with-Staynall	611.39
Upper Rawcliffe-with-Tarnacre	294.02
Winmarleigh	128.07

3.3 The Council Tax requirement for the Council's own purposes for 2020/21 (excluding Parish precepts) is £7,636,896.

3.4 That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Act:-

a.	**£66,573,969**	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
b.	**£58,172,860**	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c.	**£8,401,109**	Being the amount by which the aggregate at 3.4(a) above exceeds the aggregate at 3.4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
d.	**£225.23**	Being the amount at 3.4(c) above (Item R) all divided by Item T (3.2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
e.	**£764,213**	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act and as detailed in Appendix 6.
f.	**£204.74**	Being the amount at 3.4(d) above less the result given by dividing the amount at 3.4(e) above by Item T (3.2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

3.5 That the Council's basic amount of Council Tax for 2020/21 is not considered excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992.

4. Background

4.1 The Council Tax for Wyre Borough Council for 2020/21 is proposed from the summary below:-

	£m
Net Expenditure (Before Other Government Grants)	13.951
Less New Homes Bonus	1.280
Less Revenue Support Grant	0
Less Baseline Funding	3.409
Less NDR Grant (net of contributions to the Lancashire Pilot)	1.983
Less Enterprise Zone growth (to be transferred to a Ringfenced Reserve)	0.047
	7.232
Add Collection Fund – Council Tax and NDR	0.124
Add Projected NDR below Baseline Funding (offset above)	0.281
Amount Required from Council Tax	7.637
Divided by Council Tax Base at band D equivalent	37,300
Council Tax for 2020/21	**£204.74**
Council Tax for 2019/20	£199.74
Increase from 2019/20	**£5.00**

4.2 In the past, businesses paid their rates, which the local authority collected and passed over to the Treasury who then redistributed a share to local authorities via an extremely complex formula referred to as the ‘Formula Grant Distribution System’. A new system of 50% Business Rates Retention, introduced from April 2013, allowed the council to keep a proportion of the money it collects in business rates. This meant that some authorities would earn more in business rates than they used to receive from the previous formula grant with others earning much less.

4.3 To address this, the Government calculates a baseline funding level for each local authority and where they receive more in business rates the Government will pocket the difference (the ‘tariff’) and where local authorities receive less than their funding level this will be paid as a ‘top-up’. The tariffs and top-ups were calculated in 2013/14 and were uprated in 2017/18 following the national revaluation exercise and subsequently will be uprated each year by the change in the small business multiplier.

The tariff for 2020/21 has been adjusted by 1.6% recognising the increase from 49.1p to 49.9p.

4.4 Councils are allowed to keep 40% of any additional business rates generated (with 50% being paid to the Government, 9% to Lancashire County Council and 1% to the Fire Authority) but this is regulated by the imposition of a levy which is set at 50p in the pound. In essence, this means that the council is only able to keep 20% of any additional non domestic rate income in the year. With effect from 1 April 2016, however, the Council was designated as belonging to the Business Rates Pool of Lancashire. This has resulted in the County Council being paid 10% of the retained levy (prior to the cost of administering the pool) with Wyre retaining 90% of the levy previously payable.

4.5 Following a successful bid encompassing all of the Lancashire councils (except Lancaster City Council) and the Fire Authority, to become a 75% Lancashire Business Rates Retention Pool Pilot in 2019/20, Wyre’s tier share increased from 40% to 56%. However for 2020/21 we will revert to the former 50% pooling arrangements, as the pilot has now ceased. Beyond 2020/21 it is expected that some form of 75% Business Rates Retention (BRR) will be applied nationally although the precise details have yet to be announced.

4.6 The table below shows how much grant the authority will receive for the 2020/21 financial year and the estimated allocation for 2020/21 based on an assumed 1.5% inflationary increase. Owing to the Spending Review to be carried out in 2020 and the unknown impact of the ongoing Fair Funding Review, Brexit and the review of Business Rates Retention schemes it is impossible to predict with certainty what the central government funding allocation beyond 2020/21 will be. As a result, all funding figures beyond 2020/21 should be treated with added caution. Between 2010/11 and 2020/21 the council has lost £6.999m in external support equating to a reduction of 78.3% when compared to the level of grant support received in 2010/11 of £8.936m.

	2019/20 £m	2020/21 £m	2020/21 Increase		Estimated 2021/22 £m	2021/22 Increase	
			£m	%		£m	%
RSG	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NNDR	3.355	3.409	0.054	1.6	3.460	0.051	1.5
Total Settlement Funding	**3.355**	**3.409**	**0.054**	**1.6**	**3.460**	**0.051**	**1.5**

4.7 As part of the determination and scrutiny of the decision making process, the Overview and Scrutiny Committee has considered the initial recommendations of the Portfolio Holders in relation to the proposed fees and charges. There were no new business cases with capital expenditure implications to reflect in the Capital Programme at Appendix 9.

5. Key issues and proposals

Council Tax Freeze

5.1 The Government has not provided any support to freeze council tax since 2015/16 but has indicated that the freeze grants for 2011/12, 2013/14, 2014/15 and 2015/16 have been built in to the spending review baseline. The trigger for local referenda on council tax increases was previously set at 3% or £5 for shire district authorities but this has changed and is now 2% or £5, allowing councils to increase their core council tax requirement within these limits without triggering a referendum. At Wyre, the annual shortfall in income of £568,749 resulting from the historic period of council tax freeze, will continue to be financed using the new homes bonus received in respect of the 2011/12, 2012/13 and 2013/14 financial years up until the end of the 2022/23 financial year when the reserve will be exhausted. Ultimately, the total shortfall met by the reserve will be approximately £4.5m.

New Homes Bonus

5.2 The New Homes Bonus was introduced to provide a clear incentive to local authorities to encourage housing growth. Currently, this equates to the national average Band D council tax of £1,750 for every new home above the (new from 2017/18) 0.4% growth baseline. When the scheme was first introduced the legacy payments were for 6 years. However, recent changes mean that this reduced to 5 years in 2017/18 and 4 years ongoing up to the 2019/20 award. The scheme has resulted in additional income for Wyre of £271,597 in 2011/12, £418,966 in 2012/13, £785,403 in 2013/14, £1,203,464 in 2014/15, £1,823,719 in 2015/16, £2,303,128 in 2016/17, £2,110,709 in 2017/18, £1,672,728 in 2018/19, £1,415,900 in 2019/20 and there has been an allocation in respect of the 2020/21 financial year of £355,671, bringing the year’s total to £1,279,648. The award for 2020/21 will be for one year only though, with no legacy payments owing to the anticipated changes to local government funding through the Fair Funding Review and Business Rates Reform. This means that there is no continuing improvement for a further three years in the ongoing forecast as a result of the 2020/21 award. It is worth stating that whilst the Government set aside monies to fund the New Homes Bonus in year one (2011/12), in subsequent years the majority of the funding has been met from a reduction in formula grant. In 2020/21 £900m from Revenue Support Grant (RSG) is expected to be required to meet both the annual cost and legacy payments. As the New Homes Bonus is effectively being financed by reductions in formula grant, the New Homes Bonus from the 2014/15 financial year has been used to compensate for the loss of formula grant. The Government has previously consulted on alterations to the scheme with a view to freeing up resources to be recycled to support authorities with particular pressures, such as adult social care. The ability to withhold New Homes Bonus from local authorities who are not planning effectively, by making positive decisions on planning applications and housing growth and the potential to raise the threshold above 0.4% remains a potential hurdle in the future. As a result of the uncertainty no further New Homes Bonus receipts, in the form of new awards rather than legacy payments, have been anticipated for

2021/22 onwards.

5.3 Localisation of Support for Council Tax

Members will be aware that with effect from 2013/14 the national Council Tax Benefit scheme was abolished, and individual local authorities were required to introduce a Localised Council Tax Support (LCTS) scheme. Support for Council Tax is now offered as a reduction within the Council Tax system and regulations set the roles, allowances and awards for claimants of state pension credit age so that they do not experience a reduction in support as a direct result of the reform. The replacement scheme also aimed to support the public spending deficit reduction by reducing the amount available to local authorities to spend by 10%. Although there is no separately identifiable amount for localised council tax support at local authority level since it was subsumed within the Revenue Support Grant and Baseline Funding, applying the indicative start-up funding allocation of £8,077,777 awarded in 2013/14, and estimating the value of localised council tax support awarded in 2020/21 to be £9.119m, there will be an unfunded gap of approximately £1,041,563 to be met by each of the precepting bodies. It is also worth remembering that the Council suffered a reduction in grant funding of £1.022m or 13.6% in 2014/15. The Council agreed at its meeting 9 January 2020 to continue to set the additional maximum percentage contribution from working age claimants to be no more than 8.5%. Wyre's share of the estimated cost of LCTS in 2020/21, after the 8.5% contribution, is £113,530.

Efficiencies

5.4 As part of the annual budget cycle, and in determining the Medium Term Financial Plan (MTFP), the Council continues to identify actions that will improve efficiency. This assists the Council in effectively prioritising its finite resources and replaces the traditional 'salami slicing' exercise whereby essential budgets are routinely reduced in an attempt to address the problem.

5.5 The anticipated efficiency achievements for the nine years ending 31 March 2020 are £5.7m, an average of £632,000 each year. Appendix 1 shows the anticipated savings for 2020/21 and the targets for future years. Efficiency savings assist the delivery of the Council's corporate priorities supporting the continued improvement of services for our residents.

Reserves and Balances

5.6 The requirement for financial reserves is acknowledged in statute. The Local Government Finance Act 1992 requires billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the council tax requirement. These existing safeguards are further reinforced through the External Auditor's statutory responsibility to issue a conclusion on whether an audited body has proper arrangements for securing value for money with one of the two criteria being, "Securing financial resilience – looking at the Authority's financial governance, financial planning and financial control processes". One aspect of this is the Council's policy on the level and nature of reserves and balances.

5.7 Earmarked reserves are created to meet 'known or predicted requirements'. Provisions are required where an event has taken place that gives the Authority an obligation requiring settlement but where the timing of the transfer is uncertain. Unallocated or general reserves/ balances are available to support budget assumptions.

5.8 Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option but where general reserves are deployed to finance recurrent expenditure this should be made explicit by the Section 151 officer. **Members must note that the continued use of balances is not sustainable and a significant re-prioritisation exercise, whereby all services are subject to a critical evaluation, must be undertaken to alleviate serious financial problems in future years. The financial projections, included at Appendix 2, indicate that further annual savings will be required in future years.** It is important that the Council considers its future budgets and continues to monitor closely the MTFP. The Council's minimum prudent level of balances, calculating the requirement at approximately 5% of net expenditure before other government grants (£697,580) together with the element of the reduction in business rates that Wyre must meet before receiving any safety net payment (£255,695 in 2020/21), is now £953,000. The level of general balances also supports contingency planning, recognises anticipated future financial pressures on revenue resources, including the volatility associated with the Business Rate Retention scheme, primarily as a result of major businesses closing or moving out of the area and successful rating appeals, and anticipates the difficulties of securing immediate savings.

5.9 In anticipation of future 'known or predicted requirements', and in accordance with the Council's Policy on the Level of Reserves and Balances, contributions to earmarked reserves continue. The Capital Investment Reserve will need additional contributions if we are to continue to finance capital investment and avoid future borrowing. Future contributions will be made as revenue resources are identified. The Non-Domestic Rates Equalisation Reserve was created in 2013/14 with further top ups being made in subsequent years funded by Section 31 Grant for discretionary reliefs, net of the levy. The 2018/19 contribution will continue to be added to the reserve. Following the audit of the 2018/19 final accounts this funding will be released in 2020/21 to support current spending plans or increase earmarked reserves. The remaining earmarked reserves, which can be seen at Appendix 4, are considered to be adequate and of an appropriate value both in respect of the forthcoming financial year and for the period of the MTFP.

<u>Robustness of the Budget</u>

5.10 The Local Government Act 2003 includes a requirement for the Chief Financial Officer to report upon the robustness of the estimates and adequacy of reserves when the authority is considering its council tax requirement. Spending plans ultimately impact on the level of council tax although the extent of any increase is externally influenced by Government policy through, for example, initiatives such as the introduction of local referenda to veto excessive council tax increases. The MTFP assesses the affordability of revenue and capital plans and the adequacy of reserves. As with all plans the risks increase with time and the financial position in future years is not as certain as it is in 2020/21. Having assessed the significance and likelihood of risks associated with the budget assumptions (see Appendix 5 to the MTFP agreed by Cabinet 16 October 2019), the reserves and balances detailed in the appendices are considered adequate to support the delivery of the Council's Business Plan over the current MTFP period. However, the forecasts do show an increasing reliance on general balances to bridge the forecast budget gap in later years. It is recommended that the MTFP continue to be monitored closely in light of the outcome of forthcoming central government funding reviews due to take place in 2020/21, with a further update scheduled at the October 2020 Cabinet meeting.

5.11 In December 2019, the Chartered Institute of Public Finance and Accountancy (CIPFA) published the local authority financial resilience index. It is CIPFA's ambition to make it a requirement to refer to these indicators as part of the Section 25 Robustness of the Budget statement. Whilst it is early days in terms of the development of these statistics, the majority of Wyre's initial 2018/19 results for our family group are in the mid to low risk range with just one identifying towards the higher risk end of the spectrum. This indicator relates to the Fees and Charges to Service Expenditure Ratio and looks at the proportion of income from fees and charges compared to service expenditure. It can indicate that we are not generating as much income from fees and charges as others in our family group and that there is an opportunity to increase charges or the range of charges we currently apply. In December 2019 the new fees and charges scheme was approved for 2020/21 and the impact of key changes to Residents Parking Permits and Waste Containers amongst others is something that will need to be monitored going forward, particularly in light of the forthcoming changes to local government funding, expected to take effect in 2020/21.

Precepts

5.12 The parish precepts determined at parish meetings are shown at Appendix 6. These amounts will be shown separately on each Parish Council Tax Payer's bill. Appendix 6 also reflects the Parish and Unparished Area Taxbase approved in accordance with the Scheme of Delegation to Officers.

6. Borrowing Limits

6.1 The Prudential Code for Capital Finance aims to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. The Code sets out indicators that must be used and requires local authorities to set relevant limits and ratios, which are included at Appendix 7. These are not designed to be comparative performance indicators, however, and the use of them in this way would be likely to be misleading and counter-productive.

6.2 The arrangements for calculating Minimum Revenue Provision (MRP), which were introduced during 2007/08, require the period over which MRP is charged to be aligned with the estimated life of the asset. This could result in an increased MRP charge if expenditure, such as that on playground equipment, is spread over say 15 years and the council can choose to arrange its MRP policy as to ensure that assets or other expenditure having the shortest “charge” life are determined as being financed from capital receipts or other available resources.

6.3 Central government support for borrowing through Revenue Support Grant was replaced back in 2006/07 by capital grant. The council received an allocation of £1,833,127 for Disabled Facilities Grants (DFGs) in 2019/20 from the Better Care Fund provided by the Department of Health via Lancashire County Council who act as the accountable body. The aim of the Better Care Fund is to bring about integration of health and social care and plans for use of the pooled monies must be signed off by the Health and Wellbeing Board. The Cabinet report on 16 October 2019 reported an additional £75,000 funding from Regenda but as £70,000 had already been assumed in the base this additional funding should have been reported as £5,000. The remaining £70,000 was an increase in the Better Care Funding with no impact overall. The council has not yet been notified of the 2020/21 allocation but £1,833,127 has been assumed at this stage. The council has also assumed a budget of £20,000 for 2020/21 for the remaining year of a five year programme allocated and funded by the Environment Agency for the Cell Eleven (Coastal Monitoring) scheme. Funding has been made available to us through Sefton Council on a quarterly basis. No extension to this programme has been assumed in the Capital Programme beyond 2020/21 at this stage although it is expected that the scheme’s extension will be announced in due course.

7. Capital Budget 2019/20 and Programme 2020/21 onwards

7.1 Capital schemes are assessed in accordance with the Council’s priorities as reflected in the Business Plan and the criteria specified in the Medium Term Financial Plan. The building maintenance condition surveys indicate a total requirement over the next five years of an estimated £2.9m, including a number of investment schemes and projects where further work is required before a recommendation can be made to proceed. These condition surveys are due to be updated in 2019/20 but work on these is likely to continue into 2020/21. It is probable that further costs will be identified as part of this exercise. The limited capital funds that are currently available have resulted in no new business cases with capital expenditure implications being submitted for consideration by Overview and Scrutiny in the current year. This means that the principle behind the capital bid agreed by the committee at their meeting 7 December 2015 will continue to be supported and as it was then noted, the projects listed were simply the current priorities, which have varied over time. As such, an updated list of the 2020/21 priorities will be taken to Overview and Scrutiny in early 2020 for consideration. The total estimated requirement of £2.9m is also subject to capital receipts being received.

7.2 The Revised Capital Budget for 2019/20 and the Capital Programme

2020/21 onwards are shown in detail at Appendices 8 and 9. A summary by Portfolio for 2019/20 and 2020/21 is reflected in the table below. The Revised Capital Budget for 2019/20 reflects the third quarter review of spending and approved by Cabinet at their meeting on 15 January 2020.

Wyre Borough Council – Capital Budget 2019/20 and Programme 2020/21

	Revised Estimate 2019/20 £	**Original Estimate 2020/21 £**
Leisure, Health & Community Engagm't	187,581	0
N'bourh'd Servs and Community Safety	3,809,584	1,870,176
Planning and Economic Development	643,730	58,000
Resources	3,196,925	641,200
Street Scene, Parks and Open Spaces	1,993,288	798,010
TOTAL FINANCING REQUIREMENT	9,831,108	3,367,386
Grants and Contributions	5,604,407	2,700,856
Revenue	4,209,506	641,200
Capital Receipts	17,195	25,330
Borrowing	0	0
TOTAL FINANCING	9,831,108	3,367,386

7.3 The financing reflects capital receipts arising from the disposal of land at Siding Road, Fleetwood. The availability and application of capital receipts has been assumed as reflected in the table below.

CAPITAL RECEIPTS	**£**
Balance at 31st March 2019	**731,568**
Anticipated (Net) Receipts in Year	15,000
Applied in Year (Incl. costs to sell)	-17,195
Balance at 31st March 2020	**729,373**
Anticipated (Net) Receipts in Year	0
Applied in Year (Incl. costs to sell)	-25,330
Balance at 31st March 2021	**704,043**
Anticipated (Net) Receipts in Year	0
Applied in Year	0
Balance at 31st March 2022	**704,043**
Anticipated (Net) Receipts in Year	0
Applied in Year	0
Balance at 31st March 2023	**704,043**
Anticipated (Net) Receipts in Year	0
Applied in Year	0
Balance at 31st March 2024	**704,043**

Anticipated (Net) Receipts in Year	0
Applied in Year	0
Balance at 31st March 2025	**704,043**

7.4 A key requirement of the MTFP is the long term planning of capital resources and the Capital Programme. The Prudential Code requires chief finance officers to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long-term revenue commitments. Indeed, in considering the affordability of its capital plans, the authority is required to consider all of the resources available to it, including those estimated for the future together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years. With effect from the 2007/08 financial year, the council became reliant on borrowing to support capital expenditure. Long term borrowing totalling £3.552m at 31 March 2013 has been drawn down and this value is used to calculate the Minimum Revenue Provision (MRP), which must be reflected in the revenue estimates.

7.5 The arrangements for calculating MRP, which were introduced during 2007/08, require the period over which MRP is charged to be aligned with the estimated life of the asset. This could result in an increased MRP charge if expenditure, such as that on playground equipment, is spread over say 15 years and the council has therefore chosen to arrange its MRP policy as to ensure that assets or other expenditure having the shortest "charge" life are determined as being financed from capital receipts or other available resources. The extent of the council's borrowing obviously has an impact on the revenue account in the form of debt charges. An estimate of the debt charges and associated interest payments is reflected in the table below for the 2018/19 financial year with costs not falling further until 2024/25 when the 15 year lifespan assets drop out of the MRP calculation:

Year	Minimum Revenue Provision p.a.	Interest (@ 4.41% and 4.48%) p.a.	Total p.a.
	£	£	£
2019/20 to 2023/24	95,559	68,830	164,389
2024/25	89,994	68,830	158,824

7.6 In an effort to reduce the council's reliance on borrowing, and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. This funding will be used to meet known commitments, including the repair and maintenance of council assets and provide resources for future capital investment. The Capital Investment Reserve is reviewed as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process with a view to minimising ongoing revenue costs.

7.7 The Council's financial plans support the delivery of strategic plans for assets either through investment, disposals, rationalisation or more efficient asset use. Financial plans show how the financial gap between the need to invest in assets and the budget available will be filled over the long term (for example through prudential borrowing, rationalisation of assets, capital receipts, etc.). In order to avoid significant additional financial pressures, further capital disposals will be required to generate capital receipts to meet capital commitments.

Financial and legal implications	
Finance	Considered in detail in the report above.
Legal	None arising directly from the report.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	**✓ / x**
community safety	x
equality and diversity	x
sustainability	✓
health and safety	x

risks/implications	**✓ / x**
asset management	✓
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Clare James	01253 887308	clare.james@wyre.gov.uk	17.01.2020

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix	1	-	Annual Efficiency Statement
	2	-	Medium Term Financial Plan - Summary Financial Forecast
	3	-	Summary Revenue Estimates by Portfolio – Leisure, Health and Community Engagement – Neighbourhood Services and Community Safety – Planning and Economic Development – Resources – Street Scene, Parks and Open Spaces
	4	-	Reserves, Balances and Manpower Statement
	5	-	Transfers to and from Reserves
	6	-	Parish Precepts
	7	-	Prudential and Treasury Management Indicators
	8	-	The Revised Capital Budget 2019/20
	9	-	The Capital Programme 2020/21 Onwards
	10	-	Summary Capital Expenditure by Scheme 2019/20 Onwards

Appendix 1

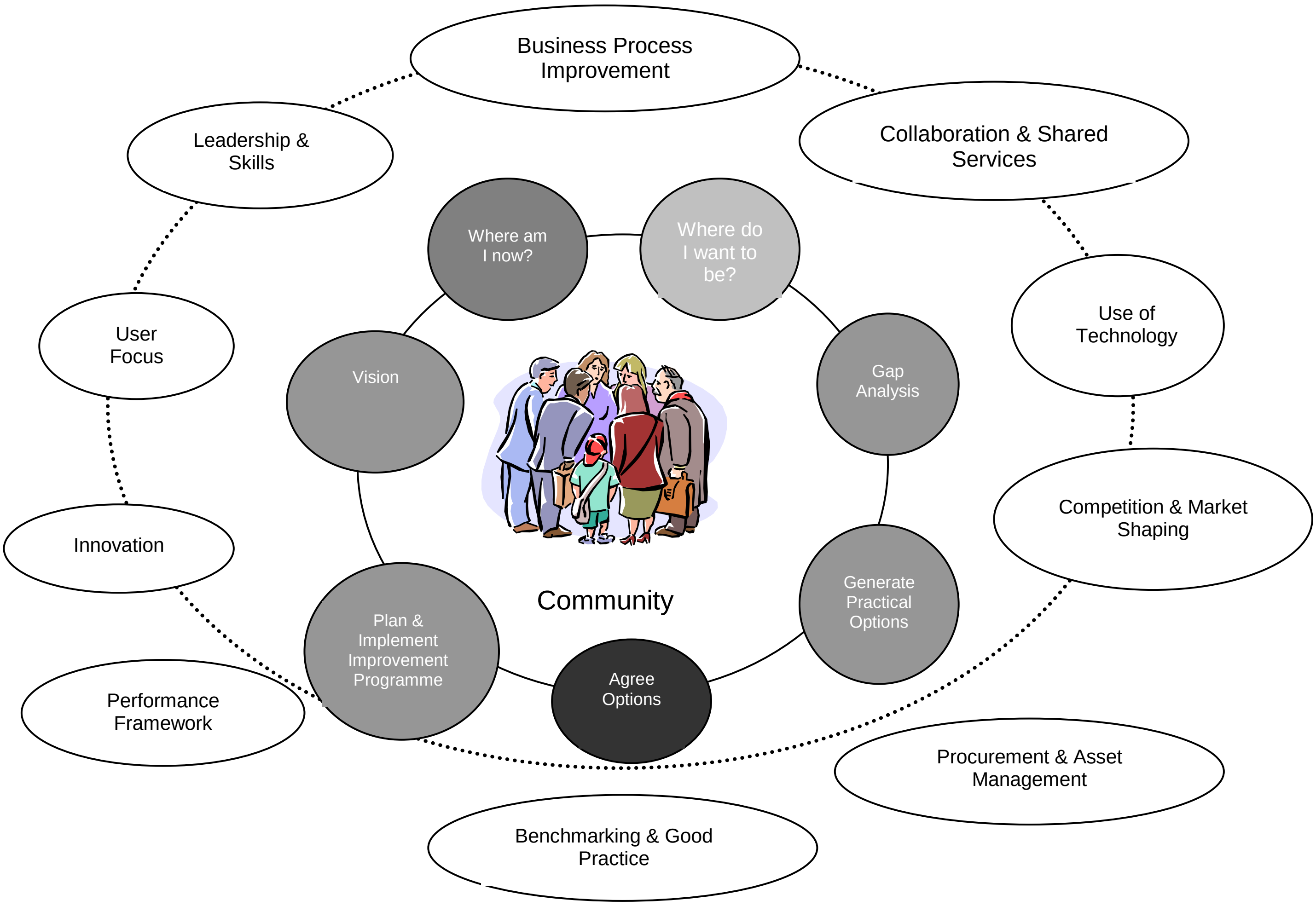
Annual Efficiency Statement

As part of the annual budget cycle, and in determining the Medium Term Financial Plan, the Council has for a number of years identified actions that will improve efficiency, quantifying the estimated expected gains.

Efficiency gains are achieved in the following ways:

- Reduced inputs (money, people, assets, etc.) for the same outputs
- Reduced prices (procurement, labour costs, etc.) for the same outputs
- Additional outputs or improved quality (extra service, productivity, etc.) for the same inputs; and
- Improved ratios of cost/output (unit costs, etc.)

The diagram below sets out a schematic overview of key efficiency tools/facilitators of efficiency that can be used to achieve greater efficiency.



Whilst there is no longer a statutory requirement to produce an Annual Efficiency Statement, the Council is committed to delivering savings year on year to ensure the continued delivery of key services and the achievement of its priorities as reflected within the Business Plan. The table overleaf indicates the efficiency savings achieved to date and those planned for the four-year period commencing 2020/21.