

## Approved Budget 2018/19 to 2020/21 – Budget Council 26/02/2018

### 2018/19 Budget

Revenue Budget Requirement	Updated MTFS Position			Growth £'	Savings £'	Approved Budget 2018/19 £'
	Gross Expenditure 2018/19 £'	Gross Income 2018/19 £'	Net Expenditure 2018/19 £'			
<b>Directorate Service Controlled Expenditure - Cost of CMBC Services to the Public</b>						
Chief Executive's Office	20,742,160	-14,326,346	6,415,814		-150,000	6,265,814
Adult Health & Social Care	77,988,958	-30,868,253	47,120,705		-650,000	46,470,705
Children and Young People	47,708,864	-15,840,890	31,867,974	50,000	-280,000	31,637,974
Communities and Service Support	30,050,421	-12,072,178	17,978,243	280,000	-524,000	17,734,243
Economy & Environment	34,209,293	-10,382,495	23,826,798	1,145,000	-500,000	24,471,798
<b>Services budgets Monitored by:</b>						
Corporate Assets and Facilities Management	6,189,490		6,189,490		0	6,189,490
Transport Services	1,163,122		1,163,122			1,163,122
<b>Total of Directorate Budgets</b>	<b>218,052,308</b>	<b>-83,490,162</b>	<b>134,562,146</b>	<b>1,475,000</b>	<b>-2,104,000</b>	<b>133,933,146</b>
Contribution to LCR Pool (Share of Growth from RR Pilot)	1,146,200		1,146,200		0	1,146,200
Centrally Controlled and Other Corporate Budgets	21,806,228		21,806,228		-690,000	21,116,228
Tariff Payment	2,871,447		2,871,447			2,871,447
<b>Total Revenue Budget Requirement</b>	<b>243,876,183</b>	<b>-83,490,162</b>	<b>160,386,021</b>	<b>1,475,000</b>	<b>-2,794,000</b>	<b>159,067,021</b>
<b>Contributions to/from Earmarked Reserves</b>						
Contribution From Budget Support Reserve		-800,000	-800,000			-800,000
Other Service Controlled earmarked reserves		-942,960	-942,960		0	-942,960
<b>Total Funding Requirement</b>	<b>243,876,183</b>	<b>-85,233,122</b>	<b>158,643,061</b>			<b>157,324,061</b>
<b>General Funding</b>						
New Homes Bonus			-1,518,170			-1,518,170
Small Business Rate Relief, Business Rate Cap			-8,170,146			-8,170,146
Housing & CT Admin subsidy			-921,801			-921,801
Improved Bettercare Funding			-3,264,509			-3,264,509
Adult Social Care Grant						-575,385
<b>Local Taxation</b>						
Retained Rates			-53,720,780			-53,720,780
Adult Social Care Precept			-6,268,961			-6,342,663
Council Tax			-80,849,394			-81,651,217
<b>Total General Grant Funding and Local Taxation</b>			<b>-154,713,761</b>			<b>-156,164,671</b>
<b>Required Contribution from (-) / (+) to Balances</b>						
Proposed use of Balances			-1,732,031			-1,159,390
Budget Deficit			-2,197,269			

### Calderdale MBC Council Tax for 2018/19 using the agreed Council Tax Base of 60,864.25

	2017/18		2018/19	
	Council Tax Band D	% Change to Basic Relevant Amount	Council Tax Band D	Council Tax Income
<b>Calderdale Council Relevant Amount Previous Year (calculation of % increase)</b>		<b>1,364.04</b>		
Calderdale Council Tax	1,300.75	2.99%	1,341.53	81,651,217
Adult Social Care Precept	63.29	3.00%	104.21	6,342,663
<b>Total Estimated Calderdale Council Tax - Basic Relevant Amount</b>	<b>1,364.04</b>	<b>5.99%</b>	<b>1,445.74</b>	<b>87,993,880</b>

### Major Precepting Authorities

WY Fire and Rescue Authority	60.90	2.99%	62.72	3,817,160
Police and Crime Commissioner for West Yorkshire	150.95	7.95%	162.95	9,917,787
<b>Impact on Council Tax Payers Excluding Parish Precepts</b>	<b>1,575.89</b>	<b>6.06%</b>	<b>1,671.41</b>	<b>101,728,827</b>

### In addition Parish Precepts will be levied in some areas

Total Parish Precepts	8.29	9.89%	9.11	554,701
<b>Impact on Council Tax Payers Including Parish Precepts</b>	<b>1,584.18</b>	<b>6.08%</b>	<b>1,680.52</b>	<b>102,283,528</b>

## Budget Summary and Council Tax Requirement 2019/20

Revenue Budget Requirement	Updated MTFS Position			Growth £'	Savings £'	Indicative Budget 2019/20 £'
	Gross Expenditure 2019/20 £'	Gross Income 2019/20 £'	Net Expenditure 2019/20 £'			
<b>Directorate Service Controlled Expenditure - Cost of CMBC Services to the Public</b>						
Chief Executive's Office	20,883,230	-14,336,356	6,546,874		-150,000	6,396,874
Adult Health & Social Care	79,952,444	-29,651,599	50,300,845		-1,150,000	49,150,845
Children and Young People	46,917,724	-15,786,340	31,131,384	50,000	-100,000	31,081,384
Communities and Service Support	29,781,570	-12,179,328	17,602,242	280,000	-1,110,000	16,772,242
Economy & Environment	34,226,753	-10,808,455	23,418,298	300,000	-1,032,000	22,686,298
<b>Services budgets Monitored by:</b>						
Corporate Assets and Facilities Management	6,189,490		6,189,490			6,189,490
Transport Services	1,161,622		1,161,622			1,161,622
<b>Total of Directorate Budgets</b>	<b>219,112,833</b>	<b>-82,762,078</b>	<b>136,350,755</b>	<b>630,000</b>	<b>-3,542,000</b>	<b>133,438,755</b>
Centrally Controlled and Other Corporate Budgets	22,145,266		22,145,266	0	-2,780,000	19,365,266
<b>Total Revenue Budget Requirement</b>	<b>241,258,099</b>	<b>-82,762,078</b>	<b>158,496,021</b>	<b>630,000</b>	<b>-6,322,000</b>	<b>152,804,021</b>
<b>Contributions to/from Earmarked Reserves</b>						
Other Service Controlled earmarked reserves	-329,960		-329,960		0	-329,960
<b>Total Funding Requirement</b>	<b>240,928,139</b>	<b>-82,762,078</b>	<b>158,166,061</b>			<b>152,474,061</b>
<b>General Funding</b>						
Revenue Support Grant			-7,184,966			-7,184,966
New Homes Bonus			-1,555,973			-1,555,973
Top-up			-13,340,910			-13,340,910
Small Business Rate Relief, Business Rate Cap			-4,129,000			-4,129,000
Housing & CT Admin subsidy			-921,801			-921,801
Improved Bettercare Funding			-5,967,537			-5,967,537
<b>Local Taxation</b>						
Retained Rates			-27,500,000			-27,500,000
Adult Social Care Precept			-6,293,971			-6,392,658
Council Tax			-83,254,243			-84,946,104
<b>Total General Grant Funding and Local Taxation</b>			<b>-150,148,401</b>			<b>-151,938,949</b>
<b>Required Contribution from (-) / (+) to Balances</b>						
Proposed use of Balances						-535,112
Budget Deficit			<b>-8,017,660</b>			

### Calderdale MBC Council Tax for 2019/20 using the estimated Council Tax Base of 61,344

	2018/19		2019/20		
	Council Tax Band D		% Change to Basic Relevant Amount	Council Tax Band D	Council Tax Income
	£	p			
<b>Calderdale Council Relevant Amount Previous Year (calculation of % increase)</b>			<b>1,445.74</b>		
Calderdale Council Tax	1,341.53		2.99%	1,384.75	84,946,104
Adult Social Care Precept	104.21		0.00%	104.21	6,392,658
<b>Total Estimated Calderdale Council Tax - Basic Relevant Amount</b>	<b>1,445.74</b>		<b>2.99%</b>	<b>1,488.96</b>	<b>91,338,762</b>

## Budget Summary and Council Tax Requirement 2020/21

Revenue Budget Requirement	Updated MTFS Position			Growth	Savings	Indicative Budget 2020/21
	Gross Expenditure 2020/21	Gross Income 2020/21	Net Expenditure 2020/21			
	£'	£'	£'	£'	£'	£'
<b>Directorate Service Controlled Expenditure - Cost of CMBC Services to the Public</b>						
Chief Executive's Office	20,586,600	-14,346,576	6,240,024		-150,000	6,090,024
Adult Health & Social Care	82,179,765	-28,481,610	53,698,155		-1,650,000	52,048,155
Children and Young People	46,547,224	-15,687,020	30,860,204	50,000	-100,000	30,810,204
Communities and Service Support	30,004,350	-12,353,388	17,650,962	280,000	-1,285,000	16,645,962
Economy & Environment	34,735,883	-10,906,375	23,829,508	300,000	-1,032,000	23,097,508
<b>Services budgets Monitored by:</b>						
Corporate Assets and Facilities Management	6,189,490		6,189,490			6,189,490
Transport Services	1,161,622		1,161,622			1,161,622
<b>Total of Directorate Budgets</b>	<b>221,404,934</b>	<b>-81,774,969</b>	<b>139,629,965</b>	<b>630,000</b>	<b>-4,217,000</b>	<b>136,042,965</b>
Centrally Controlled and Other Corporate Budgets	22,266,026		22,266,026	500,000	-3,070,000	19,696,026
<b>Total Revenue Budget Requirement</b>	<b>243,670,960</b>	<b>-81,774,969</b>	<b>161,895,991</b>	<b>1,130,000</b>	<b>-7,287,000</b>	<b>155,738,991</b>
<b>Contributions to/from Earmarked Reserves</b>						
Other Service Controlled earmarked reserves	-129,960		-129,960			-129,960
<b>Total Funding Requirement</b>	<b>243,541,000</b>	<b>-81,774,969</b>	<b>161,766,031</b>			<b>155,609,031</b>
<b>General Funding</b>						
Revenue Support Grant			-7,184,966			-7,184,966
New Homes Bonus			-1,555,973			-1,555,973
Top-up			-13,622,785			-13,622,785
Small Business Rate Relief, Business Rate Cap			-4,129,000			-4,129,000
Housing & CT Admin subsidy			-921,801			-921,801
Improved Bettercare Funding			-5,967,537			-5,967,537
<b>Local Taxation</b>						
Retained Rates			-28,400,000			-28,400,000
Adult Social Care Precept			-6,393,971			-6,437,469
Council Tax			-85,554,243			-87,371,910
<b>Total General Grant Funding and Local Taxation</b>			<b>-153,730,276</b>			<b>-155,591,441</b>
<b>Required Contribution from (-) / (+) to Balances</b>						
Proposed use of balances						-17,590
Budget Deficit			<b>-8,035,755</b>			

### Calderdale MBC Council Tax for 2020/21 using the estimated Council Tax Base of 61,774

	2019/20		2020/21		
	Council Tax Band D		% Change to Basic Relevant Amount	Council Tax Band D	Council Tax Income
	£	p	%	£	p
<b>Calderdale Council Relevant Amount Previous Year (calculation of % increase)</b>			<b>1,488.96</b>		
Calderdale Council Tax	1,384.75		1.99%	1,414.38	87,371,910
Adult Social Care Precept	104.21		0.00%	104.21	6,437,469
<b>Total Estimated Calderdale Council Tax - Basic Relevant Amount</b>	<b>1,488.96</b>		<b>1.99%</b>	<b>1,518.59</b>	<b>93,809,379</b>

## Approved Growth and Savings

### Agreed Growth

<b>New Growth</b>	<b>2018/19 £000s</b>	<b>2019/20 £000s</b>	<b>2020/21 £000s</b>
<b>Adults and Children's Services</b>			
Increase Funding for Youth Offending Team & Young People's Services	50	50	50
	<b>50</b>	<b>50</b>	<b>50</b>
<b>Communities and Service Support</b>			
Continuation of the Emergency Living Support Scheme	95	95	95
Fire safety building control officer	35	35	35
Additional Funding for Safer Cleaner Greener	150	150	150
	<b>280</b>	<b>280</b>	<b>280</b>
<b>Economy and Environment</b>			
Winter Maintenance - Additional Resources	700	200	200
Tackling Homelessness and Destitution	100	100	100
Changes to Waste Management Savings	170	0	0
Supporting the effective delivery of the 20mph scheme for Warley, Greetland and Stainland	175	0	0
	<b>1,145</b>	<b>300</b>	<b>300</b>
<b>Cross Council</b>			
Revenue Cost of Additional capital funding of £10million to support regeneration schemes in small towns	0	0	500
	<b>0</b>	<b>0</b>	<b>500</b>
<b>Total Growth</b>	<b>1,475</b>	<b>630</b>	<b>1,130</b>

## Agreed Savings

New Savings	2018/19 £000s	2019/20 £000s	2020/21 £000s
<b>Chief Executives Office</b>			
Review Printing, Postage and Stationery as part of the Admin review	-50	-50	-50
Welfare reform support linked to Public Health policy implementation	-100	-100	-100
	<b>-150</b>	<b>-150</b>	<b>-150</b>
<b>Adult Services</b>			
Further Integration of Health and Social Care Commissioning	-150	-150	-150
Demand Management on Demographic Growth and Contract Efficiencies on Commissioning	-500	-1,000	-1,500
	<b>-650</b>	<b>-1,150</b>	<b>-1,650</b>
<b>Childrens Services</b>			
Efficiencies from the Review of All Age Disability Service	-100	-100	-100
Bring Forward Savings from the Re-procurement of Childrens Centres	-180	0	0
	<b>-280</b>	<b>-100</b>	<b>-100</b>
<b>Communities and Service Support</b>			
Bring Forward the Strategic Review of ICT Infrastructure Saving	-75	0	0
Review Communications Budgets	-50	-50	-50
Cost Savings and/or Funding the Staying Well Scheme from within Public Health	-178	-178	-178
More accessible cash payments: Promoting the use of Payzones and Post Offices for payments to the Council	-21	-42	-42
New Operating Models, Income Generation and Efficiencies in Bereavement Services	-125	-250	-375
Enforcement Fundamental Review	0	-100	-100
Move all Simple Transactional Enquiries on-line	0	-50	-50
Review and Renegotiate Shared Software Contract with LCR/Leeds Council	0	-15	-15
Reduction in IT User Support	0	-100	-100
Transformation of Human Resources and Organisational Development	-75	-175	-175
Transfer Public Halls to Community Management	0	-50	-50
Establish a Council-promoted Lottery to fund Community Projects within the Borough	0	-50	-50
Commercialisation & Income Generation Opportunities in Safer, Cleaner, Greener	0	-50	-100
	<b>-524</b>	<b>-1,110</b>	<b>-1,285</b>
<b>Economy and Environment</b>			
Reinstate savings on Transport	-150	-150	-150
Further Recovery of Costs through the CIL above the £50k already assumed	0	-100	-100
Further Charging of Revenue Funded Costs to Capital	-300	-300	-300
Investment Return from Acquisition of Commercial Property Investment	0	-300	-300
Planning - Core Review and Efficiencies	-50	-150	-150
Additional Waste Efficiencies	0	-32	-32
	<b>-500</b>	<b>-1,032</b>	<b>-1,032</b>
<b>Cross Council</b>			
Bring forward Additional Investment Income Early	-50	0	0
Reinstate savings from CAFM	-350	-350	-350
Bring Forward Further Savings from the Review of Senior Management	-200	0	0
Review of the Council's Minimum Revenue Provision (MRP) Policy	0	-2,000	-2,000
Savings in the Passenger Transport Levy	-90	-180	-270
Review Corporate Subscriptions	0	-50	-50
Collaborate on specialist back office services	0	-100	-200
Fees, Charges and Commercialisation Review	0	-100	-200
	<b>-690</b>	<b>-2,780</b>	<b>-3,070</b>
<b>Total Savings</b>	<b>-2,794</b>	<b>-6,322</b>	<b>-7,287</b>

## Estimated Available Revenue Balances - 31<sup>st</sup> March 2018 to 31<sup>st</sup> March 2021

	<b>£'000</b>
<b>Estimated Available General Fund Revenue Balances as at 31st March 2018</b>	<b>6,786</b>
Cabinet Approval - 2017/18 on going commitment	-18
Proposed Contribution to (+) / (-) from Balances 2018/19	-1,159
<b>Estimated Available General Fund Revenue Balances as at 31st March 2019</b>	<b>5,609</b>
Cabinet Approval - 2017/18 on going commitment	-18
Proposed Contribution to (+) / (-) from Balances 2019/20	-535
<b>Estimated Available General Fund Revenue Balances as at 31st March 2020</b>	<b>5,056</b>
Cabinet Approval - 2017/18 on going commitment	-18
Proposed Contribution to (+) / (-) from Balances 2020/21	-18
<b>Estimated Available General Fund Revenue Balances as at 31st March 2021</b>	<b>5,020</b>

## Head of Finance's Statement

The Local Government Act 2003 requires that in making decisions in relation to setting its Council Tax that the Authority's Chief Finance Officer must report on:

- the robustness of the estimates made for the purpose of the calculations, and
- the adequacy of proposed financial reserves.

These, in conjunction with the balanced budget requirement of The Local Government Finance Act (1992), mean that Members are required to have regard to the Head of Finance's report when making their budget setting decisions.

The budget builds upon the existing savings targets and plans which are in place following previous decisions made at Budget Council and which are summarised in the table below:-

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'m	£'m	£'m	£'m	£'m	£'m
Budget Council 2010	13.9	13.9	13.9	13.9	13.9	13.9
Budget Council 2011	29.0	29.0	29.0	29.0	29.0	29.0
Budget Council 2012	13.7	13.7	13.7	13.7	13.7	13.7
Budget Council 2013	9.5	15.4	15.4	15.4	15.4	15.4
Budget Council 2014	2.1	6.0	14.2	14.2	14.2	14.2
Budget Council 2015		0.0	0.1	0.1	0.1	0.1
Budget Council 2016			0.5	7.3	8.8	8.8
Budget Council 2017				1.7	6.8	9.6
	<b>68.2</b>	<b>78</b>	<b>86.8</b>	<b>95.3</b>	<b>101.9</b>	<b>104.7</b>

The budget provides clear proposals to deliver the level of savings required to meet the Medium Term Financial Strategy and is in line with the Council's Efficiency Plan which has been approved by MHCLG. The details behind each savings proposal are set out in the supporting papers. These concentrate on the additional savings which are required over the next three years over and above existing plans. The delivery of existing savings plans also presents risks and a reminder of the level of savings already agreed by each directorate was provided in Cabinet's original consultation budget document.

In addition, a detailed review of underlying budgets was undertaken in updating the standstill budget position. This included a complete review of identifiable pay and prices changes. All centrally controlled budgets have been updated and a detailed assessment made of debt and borrowing costs over the plan period. The updated standstill position provides, within centrally controlled budgets, an assumed provision for demographic growth and social care demand and cost pressures.

The budget maintains unallocated balances (financial reserves) above £5m over the three year plan. The minimum level is in line with my overall assessment of major financial risks, as set out in the Council's Medium Term Financial Plan. It also reflects the recommendation of the Council's appointed external auditors. This level of balances relates to non-school spending, as schools retain balances of their own.

There is an opportunity to use any excess balances over and above the minimum level in support of short-term non-recurring budget initiatives. The budget proposals include the use of balances over the period 2018/19 to 2020/21 to support the revenue budget. The proposals also provide some one-off investment in priority areas.

In addition to the unallocated balances referred to above, the Council holds earmarked reserves to cover potential future costs to the Council of issues such as workforce planning and insurance. The earmarked reserves are mainly for specific purposes and do not carry a recommended level or limit. As such it is of vital importance that these reserves are reviewed periodically in order to ascertain their continued validity and level. Regular consideration should be given to whether they could be put to better use elsewhere in subsequent years.

The earmarked reserves are formally reviewed three times a year. Firstly, this is done as part of the development of the Medium Term Financial Strategy, secondly as part of the formal budget setting process and finally as part of the closedown procedures at the end of the financial year. Monitoring and further reviews are also undertaken throughout the year as part of the quarterly Revenue Monitoring processes.

The adequacy of all major reserves and balances has been examined to ensure that they are sufficient to support the key financial assumptions held within the Medium Term Financial Strategy which also underpins the agreed budget for the three year period 2018/19 to 2020/21. The latest review, as part of the budget monitoring process, identified reserves of around £4m which could be used in the current year to address specific budget pressures in 2017/18.

Given the uncertainties of the economic environment and the scale of the expenditure reductions required, there will inevitably be significant risks involved in delivering a balanced budget. The Head of Finance has therefore taken a risk management approach to the budget process and has set out below the key risks associated with the proposed budget and how they can be managed.

Each agreed saving identifies the risk associated with each proposal. These have been considered by the Head of Finance who is confident that Directors are aware of the risks involved and their potential impact.

Although the Council continues to manage its finances in a prudent manner some assumptions and forecasts have necessarily had to be made where information is not yet available. The key assumptions and risks within the budget are considered to be:-

- Revenue Support Grant will reduce over the period 2018/19 to 2019/20 in line with the figures included within the Local Government Finance Settlement and in line with our approved Efficiency Plan. Beyond 2019/20 there is a much greater level of risk and uncertainty as the Government intends to implement a new local government finance system including 75% business rate retention. For the purposes of the MTFS it has been assumed that in 2020/21 the Council will maintain the same level of Government support as in 2019/20. In practice it is likely that if public sector austerity continues, Government funding will continue to reduce and further savings will be required.
- The Government has announced that the Leeds City Region has been successful in its application to become a 100% business rate retention pilot in 2018/19. Initially an estimated benefit of £1.1m from the additional business rates generated by the region had been assumed in the standstill budget based on latest business rate projections. This has now been updated to an estimated benefit of £1.4m from business rates. This

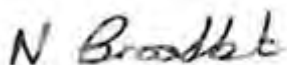


is dependent however on not just this Council's ability to raise additional business rates but also the other local authorities in the pool.

- Council Tax increases of 3% per annum in 2018/19 and 2019/20 and 2% thereafter in line with the announced referendum limit. If Council Tax is not increased up to the maximum level allowed without a referendum then this will reduce income not only in the year in question but also every year thereafter. This loss of income and financial resilience in the Council's base budget would be a particular concern by 2020/21 as the lack of Government funding figures, the introduction of 75% Business Rates Retention and the Fair Funding Review will combine to create even greater uncertainty than normal going forwards.
- An additional social care precept of 3% in 2018/19 to part fund the additional cost of protecting adult social care services. To ensure that councils are using income from the precept for adult social care, councils will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer (Section 151 Officer). As the maximum allowable social care precept is 6% over the period 2017/18 to 2019/20 no further social care precept has been assumed for 2019/20.
- All agreed savings targets and budget pressures will be contained within the planned budgets after taking into account the additional resources provided for in the MTFs, particularly in relation to the cost of Children's Social Care.
- One of the savings included in the budget for 2019/20 would result from a change in the Council's policy on Minimum Revenue Provision (MRP). This would need to be determined within the new regulations which are due to be announced this year on the calculation of MRP and to be agreed with the Council's external auditors. For this reason my advice was that this should not be assumed within the budget earlier than 2019/20.
- Since the final Revenue Monitor in 2017/18, it has become clear that pressure on the Winter Maintenance Budget as a result of the severity of this year's Winter is likely to result in an overspend in the region of £0.5m. As this has not yet been reflected in our plans to deal with 2017/18's forecast overspend, Members have taken account of this in the budget they have agreed.

The Council has an embedded savings monitoring process already in place to help ensure that savings targets are achieved.

Finally, due to the three year planning process in place, there is sufficient lead-in time for contingency plans to be formulated in future budget rounds should problems become apparent.



Nigel Broadbent  
Head of Finance