

Liberal Democrat Group Budget Amendment, 21st February 2019

With changing patterns of retail spending our district and local centres face unprecedented challenges. We need to do more to support them and breathe new life into our communities. Stockport is a borough greater than the sum of its parts and we recognise all districts are important to our residents. Our vision is for Stockport Town Centre and our other district and local centres to work together in leading the economic regeneration of the borough as a whole.

Liberal Democrats recognise that each District and Local Centre is unique. Work will be needed in each to find the right solutions, and external support may be needed to identify the best way forward.

We propose that £0.250m be earmarked from the council's general reserves, which have increased by over £5m in the past 12 months, to fund initial activity in this respect. This should be made available for the Cabinet Member for Communities and Housing to use during the financial year 2019/20, in consultation with the Corporate Director for Place, with a quarterly report on progress to the Communities and Housing Scrutiny Committee.

Members will recall that during the debate on changes to District Centre parking charges as part of the budget in February 2018, the Cabinet Member for Communities and Housing said that she would undertake a comprehensive review of District Centres with a view to bringing forward proposals for their regeneration. To date there have been no reports of any activity in this respect to the Communities and Housing Scrutiny Committee, Cabinet or Full Council.

It is noted however that, at its 31st July 2018 meeting, the Communities and Housing Scrutiny Committee decided to undertake a Scrutiny Review "on the development of the Borough's District Centres", noting that work was already underway within the Place directorate.

This Budget amendment seeks to ensure that, whatever the findings of the ongoing Scrutiny Review and to encourage the Committee to be bold and ambitious, there are funds available to develop a comprehensive action plan and fund the initial steps towards breathing new life into our District and Local Centres.

The Liberal Democrats hope that the Scrutiny Review will suggest ways to improve parking; tackle the challenging retail environment; identify opportunities for more mixed use, including possible conversions to dwellings and leisure; consider options for better pedestrian access and integration with public transport and cycling; and other changes, such as landscaping, planting and cleanliness.

We look forward to seeing transformational change in our District and Local Centres as a result.

We believe that this work needs a dedicated officer to oversee it and coordinate activity so up to £0.052m should be allocated from 2019/20 to fund one MB4 District and Local Centre strategic lead, to be funded as outlined below.

Given the changes to ways of working outlined in this and previous budgets, and so that elected Members are sharing some of the pain experienced by council staff, we believe that the portfolios could be reviewed by the Council Leader and, with effect from May 2019, the Cabinet reduced by two Cabinet Members to five plus the Leader, an annual saving of £0.033m.

We understand that the meal provided for councillors and officers before each Full Council Meeting costs in the order of £1,500 per meeting for the seven regular meetings held, which we feel cannot be justified. Ceasing this meal as soon as any contracts allow would make an annual saving of £0.011m.

Any shortfall between the savings above and the first year cost of the new strategic lead role should be covered from the £0.250m fund established above.

To fund this position from 2020/21 onwards we believe that further changes can be made to the way decisions are taken to reduce costs and put more decision making in the hands of Area Committees. We realise that work by the Constitution Working Party and others would be needed during 2019/20 to put these changes into effect for 2020/21. In addition to those outlined above, the following proposal would bring the total savings to £0.052m.

In line with our long-standing belief that more power should be vested in local communities and that decisions should be taken at the lowest appropriate level, we believe that Stockport should adopt the Liberal Democrat-run Eastleigh Borough Council model whereby all planning and highways decisions are taken at Area Committee level. This change would enable the Planning and Highways Regulation Committee to cease and yield an annual saving of at least the Chair's Special Responsibility Allowance, £0.008m.

As mentioned earlier in this amendment, work would be needed over the coming year, including further training for members, to implement this correctly and a mechanism agreed for handling strategic decisions, perhaps using ad-hoc joint Ward or joint Area Committee meetings for the places affected by a particular planning application.

Summary

- Allocate £0.250m from reserves to develop and fund the initial steps of a comprehensive action plan for the regeneration of our District and Local Centres;
- Create an appropriate post for a strategic lead for District and Local Centres at MB4 (£0.52m per annum);
- Fund the strategic lead post in 2019/20 by reducing the cabinet by 2 members (£0.033m), scrap the "committee tea" before Full Council Meetings (£0.011m, total £0.044m), with any shortfall in that first year to come from the £0.250m allocated above.
- Commence a Task and Finish Group in 2019/20 to determine and implement the changes needed to transfer all Planning Decisions from the Planning and Highways Committee to Local Area Committees, including agreeing a mechanism to handle strategic planning decisions, with effect from May 2020, scrapping the Planning and Highways Committee at that time; and
- Fund the strategic lead post in 2020/21 onwards with the savings identified at bullet point three plus the saving from the removal of the Chair of the Planning and Highways Committee (a further £0.008m, totalling £0.052m).

Moved by: Cllr Mark Hunter

Seconded by: Cllr Colin MacAlister

2019/20 Revenue Budget Liberal Democrat Group Amendment – District and Local Centres Investment

The relevant appendices to the 2019/20 Cabinet Revenue Budget and Capital Programme report have been updated to reflect the proposed amendment. The updated appendices are attached to this proposed amendment with changes highlighted in yellow.

Available One-Off Resources Identified

The proposed amendment requires £0.250m use of one-off resources. The 2019/20 Cabinet Revenue Budget and Capital Programme report identifies available one-off resources of £8.674m as shown in the table below:

Available One-Off Resources Identified

	One-off £000s
2018/19 Quarter 3 Forecast Outturn Surplus	3,905
Council Share of Declared Collection Fund Forecast Above the MTFP Summer Review Forecast	405
Council Share of Expected 2018/19 100% Business Rates Retention Pilot Benefit	1,082
Redistributed Business Rates Levy Surplus	723
Total Unallocated One-Off Resources Identified	6,115
Proposed GMCA Returned Business Rates	2,039
Proposed GMCA Returned Transport Reserves	520
Total Unallocated One-Off Resources Subject to Approval by GMCA	8,674

The use of one-off resources to support the proposed amendment will change the allocation of the available one-off resources as follows:

- Allocate £0.500m to support the funding of the continuing expenditure pressures of Stockport Together;
- Replenish the Double Running Investment Reserve by £1.603m to support the phasing of future financial years savings proposals as part of our MTFP Strategy;
- Allocate £0.250m to support investment in District and Local Centres; and
- Use the balance (up to £6.321m subject to approval of the GMCA budget) to:
 - Further allocate funding to support the Council's response to the SEND review recommendations.
 - Create ringfenced revenue contribution to capital outlay (RCCO) reserves to support the Council's investments in the Stockport Interchange project and Merseyway. It is noted that further resource allocations will need to be identified for these projects and the Cabinet views the future benefit from the 100% Business Rates Pilot as the most appropriate source.

Borough Treasurer's Risk Assessment

The Borough Treasurer has reviewed the proposed amendment and undertaken a risk assessment of the budget proposals as a result. The Borough Treasurer's comments are set out below:

On the basis that it is not unreasonable to earmark the required level of resources from reserves to support the proposed budget amendment, and recognising the increase use of one-off resources to support the 2019/20 Budget, my risk assessment of the proposed 2019/20 Budget remains as set out in the report; that the estimates made for the purposes of the calculation of the budget are robust and the level of reserves and balances are adequate.

Appendix 1 – 2019/20 to 2022/23 MTFP – Changes to Forecast Savings Requirement 22 February 2018 to 21 February 2019

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Savings Requirement Approved on 22 February 2018	15,926	27,702	37,410	47,019
<u>MTFP Assumption Changes</u>				
Summer Review MTFP Assumption Changes - Favourable Adjustments	(7,113)	(6,991)	(6,916)	(7,520)
Summer Review MTFP Assumption Changes - Adverse Adjustments	5,011	4,452	5,512	7,266
Increase in Council Tax Taxbase - Favourable Adjustment	(1,983)	(1,983)	(1,983)	(1,983)
Business Rates Indexation Compensation Grant	720	0	0	0
Strategic Investment Income	(1,000)	(1,000)	(500)	0
GMCA Levy Adjustments	(233)	(246)	(250)	(252)
Transport Returned Reserves	(520)	0	0	0
<u>Budget/Settlement Changes</u>				
Social Care Grant	(2,192)	0	0	0
New Homes Bonus	(716)	(718)	(716)	(716)
Business Rates 2019/20 Multiplier Increase	(6)	0	0	0
<u>Additional Expenditure Pressures</u>				
Mayoral Development Company	500	500	500	500
Estates and Asset Management Review	143	143	143	143
Public Realm Waste	250	250	250	250
Social Care Grant Allocation - Adult Social Care Provider Fees	1,020	0	0	0
Social Care Grant Allocation - SEND Review Response	750	0	0	0
Social Care Grant Allocation - Children's Demand Pressures	422	0	0	0
Stockport Support Fund	175	175	175	175
Local Taxation Collection Digital By Design Saving	100	100	100	100
Brexit Risk Contingency	543	0	0	0
Stockport Together Risk Contingency	2,100	0	0	0
<u>Cabinet Proposals - Council Tax Proposals</u>				
Council Tax Increase - General 1.75%	(2,625)	(2,635)	(2,645)	(2,655)
Council Tax Increase - Adult Social Care Precept 1%	(1,500)	(1,506)	(1,511)	(1,517)
<u>Cabinet Savings - Thematic Proposals</u>				
Strategic Commissioning: Getting More Out of Our Spending	(4,545)	(5,705)	(5,705)	(5,705)
Improving Citizen Experience	(1,770)	(1,770)	(1,770)	(1,770)
Making Sure We Have the Right Property in the Right Places	(645)	(645)	(645)	(645)
Double Running Phasing of Saving Proposals	1,603	0	0	0
<u>One Off Resources</u>				
Appropriation From Double Running Investment Reserve - Phasing of Thematic Proposals*	(1,603)	0	0	0
Appropriation From Collection Fund Reserve - Summer Review Returned Business Rates	(512)	0	0	0
Appropriation From Collection Fund Reserve - Stockport Together Risk Contingency	(2,100)	0	0	0
Appropriation From Reserves - Indexation Compensation Grant	(720)	0	0	0
Appropriation To Reserves - Transport Returned Reserves	520	0	0	0

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
<u>Liberal Democrat Budget Amendment</u>				
District and Local Centre Investment	242	0	0	0
District and Local Centre Strategic Lead	52	52	52	52
Reduction in Size of the Cabinet	(33)	(33)	(33)	(33)
Stop Council Meeting Committee Teas	(11)	(11)	(11)	(11)
Transfer Planning and Highways Decisions to Area Committees	0	(8)	(8)	(8)
Transfer Premises Licensing Decisions to Area Committees	0	0	0	0
Appropriation From Reserves - District and Local Centre Investment	(250)	0	0	0
Revised Savings Requirement 21 February 2019	0	10,123	21,449	32,690

Appendix 2 – 2019/20 Proposed Revenue Budget

Portfolio	2019/20 Proposed Revenue Budget £000
Adult Social Care	79,471
Children and Family Services	30,902
Communities and Housing	22,447
Economy and Regeneration	2,133
Education	3,368
Health	15,664
Reform & Governance	26,603
Cash Limit	180,588
Superannuation (Auto-Enrolment)	310
Price Inflation/National Living Wage	2,529
Apprenticeship Levy	400
Stockport Together Risk Contingency	2,723
Brexit Risk Contingency	543
Non-Cash Limits	53,461
Total Net Expenditure	240,554
Business Rates - Stockport MBC Share	73,888
Business Rates - Tariff	(17,103)
Grants in Lieu of Business Rates	12,907
New Homes Bonus	1,791
Better Care Fund Allocation	6,333
Social Care Grant	2,192
Collection Fund Balance Distribution	1,362
Appropriation From Reserves - Indexation Compensation Grant	720
Appropriation From Reserves - Summer Review Returned Business Rates	512
Appropriation From Reserves - Stockport Together Risk	2,100
Appropriation To Reserves - Transport Returned Reserves	(520)
Appropriation From Reserves – District and Local Centre Investment	250
Proposed Council Tax Requirement	156,122
<i>Council Tax Requirement - Memorandum:</i>	
Adult Social Care Precept Element	11,207
Council Tax Requirement (Excluding Adult Social Care Precept)	144,915

Appendix 3 – 2019/20 Proposed Portfolio Cash Limit Budgets

	2018/19 Q3 Budget (2019/20 Starting Point)	2019/20 Contingency Allocations	2019/20 Indicative Adjustments*	2019/20 Proposed Savings	2019/20 Element of Savings Phased**	2019/20 Double Running Reserve**	2019/20 Proposed Revenue Budget
Portfolio	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	69,781	3,215	7,446	(971)	0	0	79,471
Children and Family Services	28,306	2,023	1,543	(970)	458	(458)	30,902
Communities and Housing	22,556	225	191	(525)	0	0	22,447
Economy and Regeneration	2,668	0	93	(628)	18	(18)	2,133
Education	3,144	0	922	(698)	275	(275)	3,368
Health	16,035	0	(371)	0	0	0	15,664
Reform and Governance	28,309	0	1,153	(2,859)	852	(852)	26,603
Cash Limit	170,799	5,463	10,977	(6,651)	1,603	(1,603)	180,588
Non Cash Limit	67,143	0	(6,868)	(309)	0	0	59,966
Total	237,942	5,463	4,109	(6,960)	1,603	(1,603)	240,554

*Indicative adjustments reflect previously agreed adjustments to the base Cash Limit and Non Cash Limit budgets.

**2019/20 phased saving proposals to be funded from the Double Running Investment Reserve, adjustments will be made to Cash Limit budgets

Appendix 3 (continued) – 2019/20 Proposed Directorate Cash Limit Budgets

Directorate	2018/19 Q3 Budget (2019/20 Starting Point) £000	2019/20 Contingency Allocations £000	2019/20 Indicative Adjustments* £000	2019/20 Proposed Savings £000	2019/20 Element of Savings Phased** £000	2019/20 Double Running Reserve** £000	2019/20 Proposed Revenue Budget £000
Corporate and Support							
Reform and Governance	28,309	0	1,153	(2,859)	852	(852)	26,603
	28,309	0	1,153	(2,859)	852	(852)	26,603
Services to People							
Adult Social Care	69,781	3,215	7,446	(971)	0	0	79,471
Children and Family Services	28,306	2,023	1,543	(970)	458	(458)	30,902
Education	3,245	0	922	(605)	275	(275)	3,562
Health	329	0	6	0	0	0	335
Health - Public Health	15,706	0	(377)	0	0	0	15,329
	117,367	5,238	9,540	(2,546)	733	(733)	129,599
Services to Place							
Communities and Housing	22,556	225	191	(525)	0	0	22,447
Economy and Regeneration	2,668	0	93	(628)	18	(18)	2,133
Education	(101)	0	0	(93)	0	0	(194)
	25,123	225	284	(1,246)	18	(18)	24,386
Cash Limit	170,799	5,463	10,977	(6,651)	1,603	(1,603)	180,588
Corporate and Support	(136)	0	(2,126)	(309)	0	0	(2,571)
Services to Place	42,386	0	577	0	0	0	42,963
Technical	24,893	0	(5,319)	0	0	0	19,574
Non Cash Limit	67,143	0	(6,868)	(309)	0	0	59,966
Total	237,942	5,463	4,109	(6,960)	1,603	(1,603)	240,554

*Indicative adjustments reflect previously agreed adjustments to the base Cash Limits and Non Cash Limits

**2019/20 phased saving proposals to be funded from the Double Running Investment Reserve, adjustments will be made to Cash Limit budgets

Appendix 6 – 2019/20 to 2022/23 Medium Term Financial Plan

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Resources				
Stockport MBC Council Tax	144,915	145,456	145,997	146,537
Adult Social Care Precept	11,207	11,248	11,290	11,332
Business Rates - Stockport MBC Share	73,888	85,327	85,327	85,327
Business Rates - Tariff	(17,103)	0	0	0
Grants in lieu of Business Rates	12,907	0	0	0
Revenue Support Grant - Rolled in to 100% Business Rates Retention	0	0	0	0
Public Health Grant - Rolled in to 100% Business Rates Retention	0	0	0	0
New Homes Bonus Grant	1,791	855	823	716
Better Care Fund Allocation	6,333	0	0	0
Social Care Grant	2,192	0	0	0
Collection Fund 2018/19 Balance Distribution	1,362	0	0	0
	237,492	242,886	243,437	243,912
Expenditure				
Cash Limits	182,558	185,729	186,649	187,392
Pay	0	1,944	3,931	5,969
Pensions - Superannuation and Auto Enrolment	310	490	674	861
Inflation - Price and National Living Wage	2,529	8,173	12,626	17,237
Demand Pressures	0	2,000	4,000	6,000
Apprenticeship Levy	400	400	400	400
Stockport Together Risk Contingency	2,723	0	0	0
Brexit	543	0	0	0
Non-Cash Limits	53,461	54,273	56,606	58,743
	242,524	253,009	264,886	276,602
Cumulative Savings Requirement	5,032	10,123	21,449	32,690
Appropriation from Reserves - Double Running Adult Social Care Charging*	(367)	0	0	0
Appropriation From Double Running Investment Reserve - Phasing of Thematic Proposals*	(1,603)	0	0	0
Appropriation From Collection Fund Reserve - Summer Review Returned Business Rates	(512)	0	0	0
Appropriation From Reserves - Stockport Together Risk Contingency	(2,100)	0	0	0
Appropriation From Reserves - Indexation Compensation Grant	(720)	0	0	0
Appropriation To Reserves - Transport Returned Reserves	520	0	0	0
Appropriation From Reserves - District and Local Centre Investment	(250)	0	0	0
Revised Cumulative Savings Requirement	0	10,123	21,449	32,690

*Adjustment to Cash Limit budget