

Budget 2021/22 consultation



Improving lives and improving futures through sustainable action.

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The Council has begun the process of setting its budget for the 2021/22 financial year. It will be submitted for approval to Council in March 2021.

Every year the Council has to agree a balanced budget. This means we must balance our income against our expenditure. This task has been getting harder and harder over the past 10 years as central government funding to local authorities has fallen significantly.

Added to an already challenging financial picture, we are now supporting our communities in dealing with the current COVID-19 pandemic. Our spending has gone up to meet the emergency response costs of the pandemic and we are seeing an increase in demand for council services such as support for the homeless. In addition, the income we receive, which supports the services we deliver, has reduced massively this year.

This budget consultation reflects the extreme uncertainty that we still face, but it also sets our approach to ensuring we can support our communities and businesses recover. Part of this is about ensuring we can be a financially sustainable organisation - finding ways to make the money we have work better through innovation, seeking new ways of working (whether through technology or collaboration), and finding ways to increase our income.

We are determined to do the best for our communities as we deal with the ongoing pandemic and move towards recovery. We remain committed to ensuring front-line services are protected as much as possible, but we do have some tough decisions to make about the level of service we can continue to provide and how we can generate more income. Our aim is to be as efficient as possible whilst maintaining a level of service that our customers and partners expect.

This consultation provides an opportunity for you to review and comment on the Council's approach to meeting the budget challenges ahead and sets out proposed changes to Council Tax. So please take the time to read about our proposed plans and have your say.



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The scale of the challenge

Like other local authorities we have faced significant funding reductions over the past few years and the next years will see increasing pressure on the Council's finances. The COVID-19 pandemic has added greater pressure to the Council's budget.

The Government recently announced its spending plans for the next financial year, extending the core revenue support grant to councils for one year only. Considerable uncertainty exists over the future funding of local government after this period, making it difficult to plan ahead.

We expect revenue support grant from government to cease over the next 2-3 years which means that all of our income will have to come from Council Tax, business rates and other streams such as investments or service income.

This year our spending has gone up to meet the emergency response costs of the pandemic, and we have seen an increase in demand for council services such as support for the homeless. In addition, the income we receive, which supports the services we deliver, has reduced massively this year. Looking ahead we face huge uncertainties around some of our key sources of income – the pandemic is, for instance, likely to have a huge impact on the amount of business rates income we receive as the pandemic continues to affect businesses.

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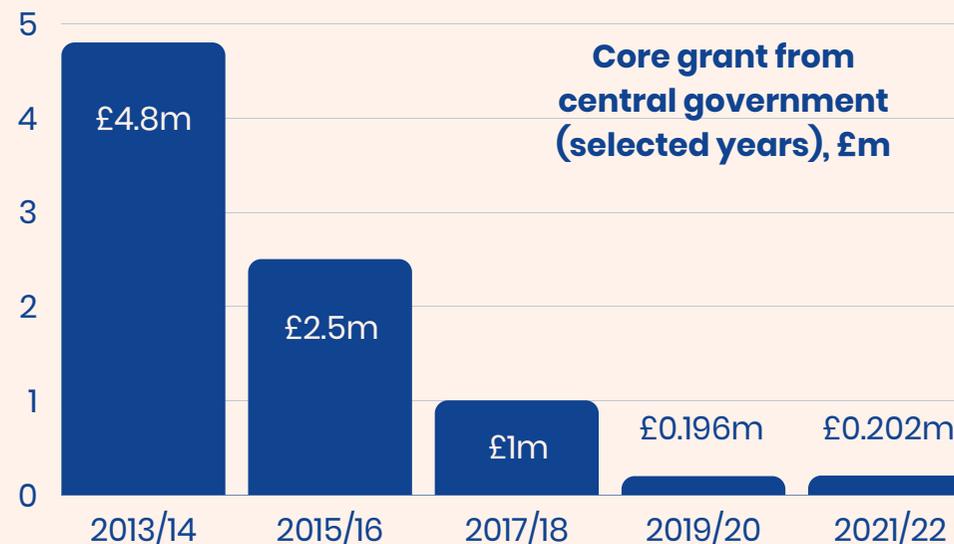
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The scale of the challenge

The ongoing impacts of the pandemic present us with a wide range of financial unknowns – these are on top of other challenges we were already experiencing such as changes in demand in certain service areas, increasing costs, reducing government funding, and the ongoing uncertainty about the impact of Brexit on the national and local economy.

Based on the information currently available to us, over the next three years (2021/22 to 2023/24), we will need to deliver savings or find alternative ways of generating income to address a funding gap of around £2.4m.

This is in addition to delivering recurring savings of approximately £0.5m during 2021–22 and a further £1m during 2022–23 and 2023–24. In 2020/21 we set a revised revenue budget of £18.1million, including £12.4m of recurring expenditure – so you can see the size of the challenge.



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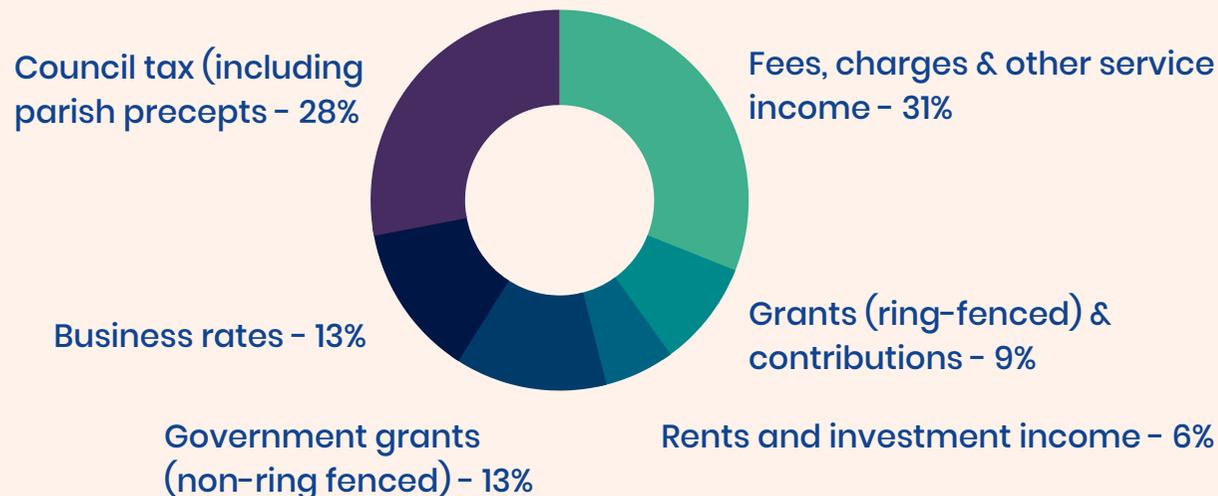
Where does our funding come from?

We are funded through four main sources:

- Council tax (paid by residents)
- National Non Domestic Rates (paid by businesses)
- Government grants
- Fees and charges from services

Just under 80% of our income now comes from fees and charges, rents and investments, Council Tax and Business Rates. Fees and charges includes charges for some services such as planning, building control, and car parking. This income helps to reduce the cost of providing services. Any income we bring in is reinvested in the council.

Where does our funding come from, %



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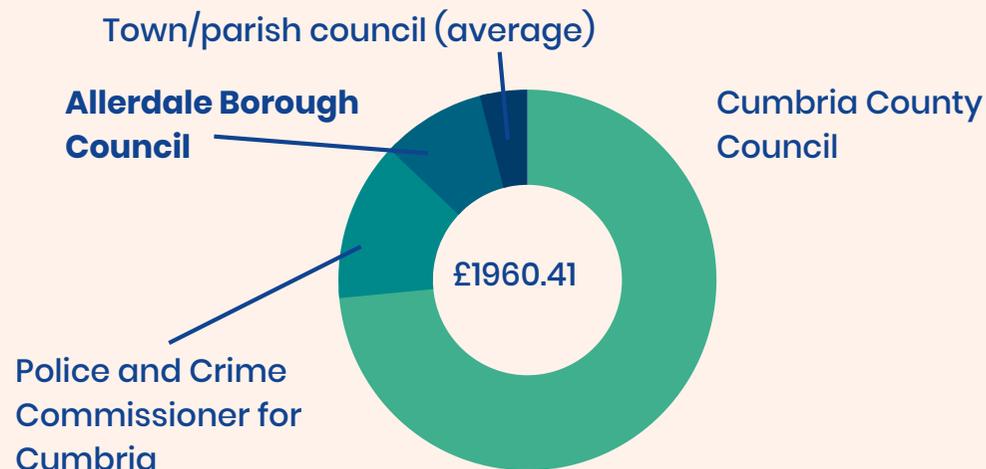
How is your total Council Tax bill split?

We collect Council Tax for ourselves, but also on behalf of Cumbria County Council, the Police and Crime Commissioner for Cumbria and your local town or parish council.

Less than 10% of the average Council Tax bill pays for services provided by us. For 2020–21 the average Council Tax bill for a Band D property is £1,960.41 a year.

Only £174.72 of the £1,960.41, around 9%, pays for services provided by us; the equivalent of a little over £3 a week, or 48p per day.

Where does your council tax go? (an average band D bill for 2020/21)



	Council Tax amount a year	Council Tax amount a week
Cumbria County Council	£1,440.56	£27.70
Police and Crime Commissioner	£265.59	£5.10
Allerdale Borough Council	£174.72	£3.36
Town/parish council (average)	£79.54	£1.53

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Our approach to the financial challenge

The simple fact is that as the income we receive from central government reduces we either need to cut our spending (which could involve changes to the services we provide) or find new sources of income.

The Council has made savings of over £9.4m over the last eight years. We have done this through streamlining services and processes, improving our use of technology, reducing back office and management costs, and seeking new commercial opportunities.

Making sure that we remain a financially secure council is one of our key priorities. Only by creating a sustainable footing for the Council can we continue to provide the services and improvements that our communities need.

Making operational efficiencies and increasing the amount of income we raise from Council Tax and fees and charges play an important part in balancing the budget. However, the scale of the financial challenge facing the Council means that we will need to make continued changes to our role and the services we provide. We have become a much smaller council over the past ten years and need to make sure that our more limited resources are focused on our priority activities.



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Our approach to the financial challenge

The COVID-19 pandemic has been and continues to be hugely challenging for our communities and businesses and the recovery process is likely to be difficult. It is therefore even more vital that we do all we can to sustain our services and look for opportunities to support our communities. This means a continued focus on how we can:

- streamline and improve service delivery (through use of technology, joint delivery, improving value for money);
- make services better cover their costs – possibly increasing or introducing fees and charges in some cases;
- work smarter to generate more income from our existing trading services, our property and land, by selling other services, and through other income streams;
- invest in commercial opportunities that support our priorities and bring money into Allerdale and the Council;
- seek capital investments to support our priorities and contribute to the Council's future financial resilience.

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Our budget and the services we provide

In 2020/21 our revised revenue budget (the amount we spend on services less the income we receive from fees and charges and grants to meet the cost of particular items of expenditure) was set at £18.1 million.

Our budget is designed to deliver the core services we provide and meet our priorities for improvement as set out in our Council Strategy 2020-2030.

2020 has been a challenging year, but we have made sure that our key services have kept delivering for our residents and businesses whilst at the same time taking on new tasks and roles like undertaking Track and Trace activity, advising businesses on Covid-safe practices and processing over £40m worth of grants to businesses.

We have also progressed our major regeneration programmes in Workington and Maryport - making sure that our Town Deal funding bid for Workington was submitted to government on time with the potential to secure up to £25m for exciting projects in the town.



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Our budget and the services we provide

For your £3 per week this includes over 80 different service activities such as:

Waste and recycling

- Collecting household waste and recycling
- Providing bring sites for recycling

Keeping public places clean and tidy

- Street cleaning
- Dealing with fly tipping, dog fouling, litter and more
- Cutting grass, maintaining trees and green spaces

Housing and homelessness

- Private sector housing standards
- Disabled facilities grants
- Homelessness advice, support & accommodation
- Domestic abuse support and accommodation

Benefits administration

- Housing benefit
- Council Tax Reduction Scheme

Environmental health and protection

- Food safety advice and inspections
- Dealing with noise and other complaints

Planning and building control

- Planning applications
- Building Control applications and site inspections
- Dealing with derelict and dangerous buildings

Licensing

- Taxi licensing
- Events and entertainment licenses
- Gambling licenses

Leisure and culture

- Leisure centres
- Sports pitches and playing fields
- Support for sporting and cultural organisations

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Setting next year's Council Tax

As in previous years we have been working hard to ensure we have plans in place to balance our budget for 2021/22. One key decision facing the council is whether, or not, we should make any changes to Council Tax in the coming year. This is a particularly difficult decision this year given the extra strain being placed on many of our residents.

However, after very careful consideration and given the uncertainty we all face we have decided to recommend a council tax increase of £5 a year on a Band D property (with proportional increases for other bands). The extra money generated will help to ensure that we can maintain a balanced budget and that we can continue to provide key services supporting our communities as we move through a period of recovery. This small increase will also help with our financial sustainability in the longer term.

We are proposing to increase our portion of the annual Council Tax bill by £5 on a Band D property (subject to confirmation from government*). This would mean an extra £5.00 a year on a Band D property (or about 10p a week) and £3.33 a year for a Band A property (equivalent to about 6p a week) and would provide an estimated additional £154,500 of income to the Council.

£5 extra a year would mean about 10p a week extra for a Band D property or 6p a week for a Band A property.

*To help address the particular pressures faced by district councils the Government has over the last four years allowed them to increase Council Tax by 2% (3% in 2019-20) or £5, whichever is greater. We expect Government to consult shortly on the arrangements for 2021-22. Should the £5 increase not be an option we would intend to increase Council Tax by 1.99%.

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Setting next year's Council Tax

The table shows what a £5 Band D increase would look like for Allerdale Borough Council's portion of the Council Tax for each Council Tax band.

We do appreciate that some of our residents are facing financial challenges and uncertainty. Residents on low incomes or benefits who continue to struggle with paying their Council Tax bill may be able to get help through our Council Tax Reduction Scheme.

Impact of the proposed changes to Allerdale Borough Council's portion of the Council Tax bill

Council tax band	2020/21 annual charge, £	£5 increase (for band D) £ a year	£5 increase (for band D) £ a week	2021/22 proposed annual charge, £ a year
Band A	£116.47	£3.33	£0.06	£119.80
Band B	£135.90	£3.89	£0.07	£139.79
Band C	£155.30	£4.44	£0.09	£159.74
Band D	£174.72	£5.00	£0.10	£179.72
Band E	£213.53	£6.11	£0.12	£219.64
Band F	£252.37	£7.22	£0.14	£259.59
Band G	£291.19	£8.33	£0.16	£299.52
Band H	£349.44	£10.00	£0.19	£359.44

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Have your say

In this document we have set out the financial challenge we face and have shared how we intend to approach the challenge. You can give us your views by completing a quick survey.

This consultation will run until 15 January 2021.

If you do need a paper copy of the survey please contact us on 0303 123 1702 or e-mail policy@allerdale.gov.uk.

Paper surveys can be returned to Policy Team, Allerdale Borough Council, Allerdale House, Workington, Cumbria CA14 3YJ.

What happens next?

The responses received during the consultation will be analysed and reported to the Executive. The draft budget for 2021/22 will be considered by the Executive at their meeting in February 2021 before being presented to full Council in March. All individual responses will be anonymised. Responses on behalf of an organisation may have their comments attributed to them in the final report.

Thank you for taking the time to give us your views.