



CABINET BUDGET PROPOSALS

2020/21 – 2023/24

Introduction

By Councillor Matthew Brown,
Leader, Preston City Council

On 27th February 2020 the Council will agree its budget for 2020/21.

Preston has a lot to look forward to in 2020. We look forward to pushing ahead with the Towns Fund, engaging with key representatives of communities, businesses and all levels of government with a focus on strategic investment into the City Centre.

We are committed to our ambitious Community Wealth Building agenda, often referred to as the Preston Model, which puts our residents at the heart of economic development for the City.



Our work with Community Wealth Building is just one strand of our Fairness Agenda, which also includes really important work across the City with projects and initiatives such as the ‘Holiday Markets’ which aims to save families money on food during school holidays, ‘Connected Communities’ which helps embed community knowledge and ‘Somewhere Safe to Stay’ which focuses on rough sleeping.

We are proud to be progressing the Climate Change Agenda in Preston as we work with partners to better understand what role we can play to tackle the climate crisis.

Unfortunately moving forward we are faced with continuing levels of financial uncertainty regarding future Government funding along with other significant financial considerations. However despite the difficult budget decisions that we have had to make in recent years, I still believe that we are delivering high-quality frontline services to Preston’s residents.

The Council now wishes to consult on the budget proposals which includes increasing the Council Tax by 1.99% in 2020/21. This will mean an increase of 12p per week for a Band D property which will help to safeguard services.

Councillor Matthew Brown

Progress against our Priorities Your City

- **Harris Quarter Leisure Scheme and Preston Market**



- **Culture and Leisure**



- **Reimagining the Harris**



- **City Deal – bringing £434m of potential infrastructure investment to boost housebuilding and jobs growth**



There are a number of key issues that we have been addressing for the City, e.g. a need to diversify and strengthen the City Centre workforce, finding innovative solutions to redundant commercial and retail property and a need to grow the leisure, culture and tourism offer.

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A number of major steps forwards were made with the Harris Quarter Leisure Scheme. The scheme features a new cinema, restaurants and car park and the finalisation of the Development and Funding Agreement is anticipated in spring 2020. The demolition of the former indoor market and car park was completed before the end of 2019 leaving a ready-to-go development site for when the preparation work has been concluded in 2020.

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The 12-year cultural strategy taking Preston up to the next Guild is in the final stages of development working collaboratively with the independent arts sector, local community and creative industries. Due to be published in the spring of 2020 the strategy will set out a clear vision for culture in Preston.

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Intensive work is now underway to deliver the development phase of the Re-imagining the Harris project to develop the stage 2 bid for submission in November 2020. The external project team will be in place by January 2020 working closely with staff from both Lancashire County Council (LCC), Preston City Council (PCC), stakeholders and partners.

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Over 5,500 houses and approaching 80,000 sq m of commercial floorspace (equating to over 15,000 jobs) have now been completed in the City Deal area since the Deal was signed. During the next 12 months significant progress is expected to be made on the construction of the Preston Western Distributor and East-West Link Road working towards completion in early 2023. This is the largest road scheme of the whole City Deal programme and work commenced on site in September 2019.

Whilst we continue to make difficult decisions in response to the financial challenge we will press on with our priorities. Further details can be found on the website www.preston.gov.uk

Progress against our Priorities

Fairness for You

- Fairness Agenda including Community Wealth Building:



- Living Wage:



- Making Homes from Houses



- Partnership working to end Rough Sleeping:



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We are extremely proud to have been the first accredited Foundation Living Wage Council in the North West. January saw us launch a new initiative – the Preston Real Wage – alongside key partners as a way to promote and increase the number of Preston businesses and organisations paying their employees a fair wage.

The Council has recently agreed to extend the Making Homes from Houses scheme. Working in partnership with Community Gateway Housing Association, 17 properties have been acquired and are undergoing refurbishment and reoccupation and a further 17 are in the process of being acquired.

The Council received funding in 2019/20 through the Rough Sleeper Initiative and Rapid Rehousing Pathway to work in partnership to reduce the number of people sleeping rough in Preston. The funding from the Ministry of Housing, Communities and Local Government (MHCLG) is to deliver on their target of halving rough sleeping by 2022 and eradicating it by 2027.

In 2020/21 the funding has been streamlined and a bidding opportunity was given to Councils. If successful this will continue the 24/7 hub, enhanced outreach team, support workers and access into accommodation.

Fairness for You

▪ Making Every Adult Matter (MEAM):



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The MEAM (Making Every Adult Matter) approach continues to develop in Preston and looks to deliver a co-designed and eventually co-commissioned service that offers a bespoke pathway to assist vulnerable adults who have complex needs to access the services they need in a more co-ordinated way. The priorities in 2020 are to challenge service delivery to ensure services are being as flexible as possible

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▪ Food Poverty:



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The Council is progressing work with partners aimed at reducing food poverty. These work streams include Holiday Markets, Neighbourhood Food Hubs, Youth and Food Activity, Community Food Activity and Breakfast Provision.

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Progress against our Priorities Your Council

▪ Climate Change



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A notice of motion to declare a climate change emergency has been agreed by the Council. A task and finish working group has been set up to consider options on how the Council can become carbon neutral by 2030.

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▪ Digital Agenda



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The Service Improvement Board oversees corporate projects aimed at:

- Improving customer service
- Reducing costs
- Improving internal efficiencies
- Improving security
- Introducing digital technologies to support business and customer service delivery.

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The Council's Achieving Preston's Priorities document includes the Council's Medium Term Financial Strategy (MTFS) and sets out the Council's spending plans for both revenue and capital during 2020/21 to 2023/24. The budget proposals are set out within this document and can be found here:- [Achieving Preston's Priorities](#)



Capital Programme

The Council continues to progress major regeneration in the City Centre. The demolition of the former Indoor Market and car park was completed before the end of 2019 leaving a ready-to-go development site for Harris Quarter Leisure Scheme.

In line with the capital strategy the Cabinet has undertaken the annual review of operational and investment assets and is proposing the following new scheme:

- Avenham Car Park Security **£100k**

The Council has carried out a Fleet review. Proposed additions for the Vehicle Replacement Programme in 2020/21, 2022/23 and 2023/24 total **£0.486m**.

Additions to the capital programme relating to the Council's buildings **£2.7m**

Further details can be found in the Achieving Preston's Priorities document

Revenue Budget

The Cabinet propose to recommend a 1.99% increase in the Council Tax for 2020/21. The provisional Government Settlement announced the flexibility for district councils to increase the Council Tax up to the capping limit of 2%.

This will mean an increase in Council Tax of 12p per week for a Band D property which will help to safeguard services.

The Council agreed no change to the Council Tax Support Scheme at the December 2019 Council meeting.

The Council is using revenue reserves (money saved) to bridge the gap between what we spend and what we receive. By the end of the forecast the difference between annual spend and income received is £1.5m. Ultimately the Council must be able to balance the cost of providing services with its income.

Seeking your views

The Cabinet would like to hear from you about the choices ahead. The proposals for spending and saving are contained in Appendix 1.

The Cabinet will make a formal decision on what to propose to Council on 5th February 2020 in its meeting at 6pm in the Town Hall.

The proposals confirmed by Cabinet will be presented to the Council at its meeting on 27th February 2020 at 10am in the Town Hall.

The Council meeting will receive a full document setting out the Council's priorities, performance and medium term financial strategy. Consultation responses received up to that day will also be included. This document is called Achieving Preston's Priorities and will be available on our website at [Consultations - Preston City Council](#).

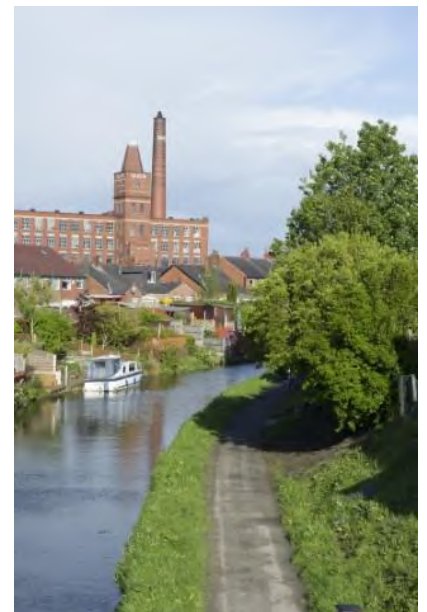
Any responses to this consultation, received by 3rd February 2020, will be presented to Cabinet at the meeting, and if received by 26th February 2020, presented to the Budget Council meeting on 27th February 2020.

All responses on the proposals should be addressed marked 'Budget Consultation' as follows:

The Town Hall
Lancaster Road
Preston City Council
PR1 2RL

Or by email to:-

consultation@preston.gov.uk



Appendix 1

Proposals for Consultation



Cabinet have formulated the budget proposals for 2020/21 and beyond. We would like your views on the following areas:

- **Increase in Council Tax for 2020/21**

The Cabinet propose to recommend a 1.99% increase in the Council Tax for 2020/21. This will mean an increase in Council Tax of 12p per week for a Band D property which will help to safeguard services.

- The additional spend proposals and savings proposals are shown on overleaf.

The Government announced the provisional local government finance settlement 2020/21 in December 2019. The settlement is for one-year which brings a high level of uncertainty when forecasting future levels of Government funding.

A contingency list of savings circa £1.3m has previously been identified which can be called upon in the event that significant risk materialize such as Government funding reducing further. The Council will continue to seek efficiency savings and opportunities for income generation where possible.

The ultimate aim for the Council is to work towards bridging the gap (shortfall between how much the Council spends and how much the Council receives in funding) over the long term to ensure long term sustainability for the Council and an ongoing balanced budget

Savings

Investment Property Target

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- £75k target ongoing 2020/21 onwards

An increased investment income target from implementing the Council's Investment Property Action Plan.

Greater Deepdale Community Association Grant

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- Phased reduction **£7k** in **2021/22** rising to **£14k 2022/23** onwards.

Net reduction in grant being phased in from 2021/22.

Additional Spend Proposal

Community Wealth Building

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- **£30k one-off in 2020/21**

A one-off contribution to progress the Council's ambitious Community Wealth Building agenda.

Staff Car Parking in 2020/21

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- one-off contribution of **£30k** in **2020/21**

The cost of extending staff car parking for one-year whilst the scheme is reviewed.