



CABINET BUDGET PROPOSALS



2021/22 – 2024/25

Introduction

By Councillor Matthew Brown,
Leader, Preston City Council

On 25th February 2021 the Council will agree its budget for 2021/22.

For almost a year now, we have found ourselves navigating an ever-changing landscape, working tirelessly to support our residents, communities, and businesses through an extremely difficult situation with significant social, economic and health impact. COVID has exposed the vulnerability that inequalities in terms of ethnicity, gender, income and disability have caused. This is something the Council will seek to address going forward.

It has not been “business as usual” for Preston City Council, it has been business as never before. We have adapted to the evolving situation, working closely with partners from across the county to protect and support our residents. As key workers, our staff have worked flexibly and many redeployed as



we implemented new areas of work such as the Preston Together Locality Hub, urgent accommodation for rough sleepers, various iterations of business and support grants, hosting community testing sites and providing local support for the national test and trace system.

We remain committed to our ambitious Community Wealth Building Agenda to address local inequalities and put ownership in a wider number of hands post COVID. Our revised Community Wealth Building strategy which will be launched late February 2021.

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.

Despite the difficult budget decisions that we have had to make in recent years, I believe that we are delivering high-quality frontline services to Preston’s residents. Unfortunately we are faced with unprecedented levels of financial and economic uncertainty as we continue to support our residents, communities and businesses through the pandemic and prepare for the recovery phase.

The Council now wishes to consult on the budget proposals which includes increasing the Council Tax by 1.99% in 2021/22. 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

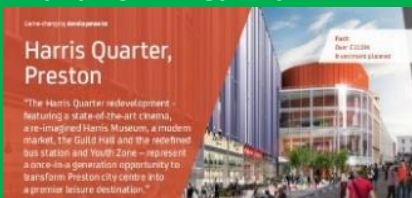
- Re-imagining the Harris



- Culture and Leisure



- Preston City Investment Plan and Town Deal Bid



- City Living Preston and Stonegate



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.

The Round two National Lottery Heritage Fund application for £4.5m has been submitted and a decision is due in March 2021. Planning Permission and Listed Building Consent has been approved by Planning Committee in early January. Fundraising continues with the launch of a public giving campaign and applications to Trusts and Foundations. Upon a successful award from the Heritage Fund the delivery phase of the project will start from April and run through 2024.

Planning is underway for alternative approaches to event delivery building on the live streamed music events piloted in 2020 and when permitted COVID safe delivery of events and public programme are to resume. The Encounter Festival has been rescheduled to September 2021. The festival business plan developed and a steering group formed to help manage the development of the planning.

Preston was one of 101 towns and cities identified for a potential allocation of up to £25m, a government regeneration initiative. A Board of community representatives, businesses and other organisations has been established and a City Investment Plan and Towns Deal bid was submitted in July 2020. The priorities are focussed in and around the Harris Quarter and the City Centre. We are still awaiting the outcome of the bid. Subject to a positive response from the government, detailed business cases will be put together for the successful projects and the projects started during 2021.

In September 2020 the Preston City Living Strategy won the prestigious Planning for Increased Housing Delivery Award and the overall Editor's Choice Award at the national Planning Awards 2020 with the judges commenting that the strategy delivers 'real social and environmental benefits', 'real benefits for local people' and is an 'exemplar approach to kick starting brownfield sites'.

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



- Co-ops:



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The Council remains committed to its ambitious Community Wealth Building agenda, putting residents and communities at the heart of economic development for the City.

In February 2021 the Council will launch Community Wealth Building 2.0: Leading Resilience and Recovery in Preston, recognising and proactively addressing the significant social, economic and health impact of the pandemic. We continue to progress this agenda through innovative and progressive dialogue and action with anchor institutions and partners.

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The Council is a proud to be an accredited Living Wage Foundation Employer and actively encourages other employers to join us in paying the Real Living Wage. Together with partners, we are leading the Preston Real Wage initiative to promote and increase the number of Preston businesses and organisations paying their employees a fair wage. Read more at <https://www.preston.gov.uk/article/987/Preston-Living-Wage>

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The successful partnership with Community Gateway Housing Association continues; 25 properties have been acquired and are undergoing refurbishment and reoccupation. The service was stood down in the early stages of the pandemic but is now operational so a further 2 properties are in the process of being assessed and acquired.

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There has been a significant area of progression in 2020, through working with key partners such as the Preston Cooperative Development Network University of Central Lancashire, Cooperatives UK and Stir to Action, as well as a wide range of local partners. We are continuing to advance the Open Society Foundation project, in partnership with the University of Central Lancashire, which will support 10 new cooperatives in total. Additionally, we are working closely with community organisations to promote opportunities and information about cooperatives.

Fairness for You

- Partnership working to end Rough Sleeping:



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The Rough Sleeper Initiative (RSI Yr4) funding will continue in 21/22 and is a really good opportunity to ensure that there are a maximum number of positive moves on options for those people who were accommodated through the “Everyone In” response to the COVID-19 situation. This will be enhanced via the accommodation being brought on line through the Rough Sleeper Accommodation Programme.

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- Neighbourhood Food Hubs



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The Council continues to develop work with community groups in Fishwick and St Matthews and the Ingol area to establish how food poverty activity can be coordinated across a geographic community. The Council is supporting the Preston Community Hub in the Fishwick/St Matthews wards in the development of a consortium and business plan to develop and deliver a wider programme of food poverty activity, including the development of a community kitchen.

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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 are currently formulating a decision matrix that will support the Council in prioritising and implementing carbon reduction actions over the next 10 years and ensure that the Council’s resources are prioritised to have the greatest carbon reduction impact.

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- Digital Agenda



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During the last few months, we have supported the Council’s COVID priorities by developing systems to deal with vulnerable people, track and trace and local food banks. Several new digital services have been added to the corporate website including:

- Upload evidence electronically for benefits and change of circumstances;
 - Welfare Benefits and debt advice online chat facility;
 - Redundancy support help.
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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

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 2021/22 to 2024/25. The budget proposals are set out within this document and can be found here:- [Achieving Preston's Priorities](#)



Capital Programme

The Council has proposed £500k to be available for Covid recovery and Climate Change.

The Council continues to progress major regeneration in the City Centre and is awaiting the outcome of a £25m Towns Deal bid and £4.5m Harris National Lottery Heritage Fund bid.

In line with the capital strategy the Cabinet has undertaken the annual review of operational and investment assets and is proposing the following new schemes: Parks and Open spaces **£907k**, Investment property & managed workshops **£70k**

Additions to the capital programme relating to the Council's buildings **£1.3m**. Proposed additions for the vehicle replacement programme in 2024/25 total **£0.495m**.

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 2021/22. 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 is receiving Government funding towards the cost of assisting businesses and communities during the pandemic.

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

The Cabinet made a formal decision on what to propose to Council on 3rd February 2021 in the virtual meeting.

The proposals confirmed by Cabinet will be presented to the Council at its meeting on 25th February 2021 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, will be presented to Members prior to the Budget Council meeting on 25th February 2021.

All responses on the proposals should be emailed to consultation@preston.gov.uk

Alternatively they can be posted to the following address. Please mark 'Budget Consultation':

**The Town Hall
Lancaster Road
Preston City Council
PR1 2RL**



Appendix 1

Proposals for Consultation



Cabinet have formulated the budget proposals for 2021/22 and beyond. We would like your views on the following areas:

- **Increase in Council Tax for 2021/22**

The Cabinet propose to recommend a 1.99% increase in the Council Tax for 2021/22. 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 have announced a 1 year local government finance settlement for 2021/22. This brings a high level of uncertainty when forecasting future levels of Government funding.

The financial impact of Covid-19 is unknown and is a major risk for the financial strategy and long term plans. The Council has identified a savings target of £600k in 2022/23 and the Budget Working Group will formulate a savings plan during 2021. The Council will continue to seek alternative 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

Contribution from Reserves

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- £150k contribution from earmarked reserves to part fund grounds maintenance cost 2021/22 onwards.

Additional Spend Proposal

Community Wealth Building

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- **£100k one-off in 2021/22**

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

- **£50k in 2021/22 and £50k in 2022/23**

A Community Wealth Building Fixed Term post.

City Development

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- City development and affordable housing post (part contribution) **£25k ongoing from 2021/22 onwards.**
- Towns Deal project manager post - **£50k p.a.** (subject to confirmation of a successful Towns Deal)

Capital Programme Financing

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- Revenue borrowing costs of funding the new capital expenditure. **£10k in 2021/22 rising to £103k p.a.**