

# **MERSEYSIDE FIRE AND RESCUE AUTHORITY**

**27 FEBRUARY 2020**

## **MINUTES**

**Present:** Cllr Leslie T. Byrom CBE (Chair) Councillors  
Lynne Thompson, Janet Grace, Brian Kenny, Lesley Rennie,  
James Roberts, Jean Stapleton, Paul Tweed,  
Andrew Makinson, Lisa Preston, Del Arnall, Barrington,  
Bruce Berry, Angela Coleman, Doreen Knight, Linda Maloney  
and Emily Spurrell

**Apologies of absence were received from:** Councillors  
Steff O'Keeffe

### **8. Chair's Announcement**

Prior to the start of the meeting, information regarding general housekeeping was provided by the Chair to all in attendance.

The Chair confirmed to all present that the proceedings of the meeting would be filmed and requested that any members of the public present who objected to being filmed, make themselves known.

No members of the public voiced any objection therefore the meeting was declared open and recording commenced.

### **1. Preliminary Matters**

Members considered the identification of declarations of interest, any urgent additional items, and any business that may require the exclusion of the press and public.

Resolved that:

- a) no declarations of interest were made by individual Members in relation to any item of business on the Agenda
- b) no additional items of business to be considered as matters of urgency were determined by the Chair; and
- c) the following items of business required the exclusion of the press and public during consideration thereof, due to the possible disclosure of exempt information:
  - Agenda Item 3 – Part 2 – EXEMPT Minutes of the Previous Meeting

*These Minutes contain EXEMPT information, by virtue of Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.*

**2. Minutes of the Previous Meeting**

The Minutes of the previous meeting, held on 17<sup>th</sup> October 2019, were approved as a correct record; and signed accordingly by the Chair.

With regards to the Minutes of the previous meeting, Members requested a brief update regarding the launch of Staff Networks.

Members were informed that three networks are now up and running; and that they have been well received and attended and are progressing well.

Members were also informed that MFRA will be hosting an Equality, Diversity and Inclusion Conference in December 2020, in conjunction with the Asian Fire & Rescue Service Network. They were advised that a number of high profile speakers are currently being sourced; and Members will be kept updated regarding this event.

Members suggested that ED&I could be the topic of a future “Learning Lunch” for Members, with the Chairs of the Staff Networks being invited to attend and present to Members.

**3. Part 2 EXEMPT Minutes of the Previous Meeting**

The Part 2 EXEMPT Minutes of the last meeting, held on 17<sup>th</sup> October 2019, were approved as a correct record; and signed accordingly by the Chair.

**4. Minutes of Urgency Committee**

The Minutes of the meeting of the Urgency Committee, held on 26<sup>th</sup> September 2019, were approved as a correct record; and signed accordingly by the Chair.

**5. Minutes of the previous Urgency Committee**

The Minutes of the meeting of the Urgency Committee, held on 4<sup>th</sup> February 2020, were approved as a correct record; and signed accordingly by the Chair.

**6. Asset Management Plans 2020/2025**

Members considered Report CFO/002/20 of the Chief Fire Officer, concerning how the Authority plans to align its physical assets with its corporate plan and strategic objectives, over the next 5 years (2020/21 – 2024/25).

The Asset Management Plans take account of the financial challenge faced by the Authority; and consequently, the changes that are likely to be required, in order to continue to meet requirements and expectations of both internal and external service users.

Members were provided with an overview of the report, which highlighted that the Asset Management Plans cover 3 areas – Property, ICT, and Transport; and are integral to the budget setting process.

With regards to the Property Asset Management Plan, the property aims and objectives were highlighted to Members, which include providing:

- Excellent facilities to meet operational response requirements
- Excellent facilities to support prevention and protection working the community
- Excellent facilities which are resilient and adaptable
- Buildings which are fit for purpose and provide a healthy environment for all our employees and stakeholders
- Value for money property solutions, maximising space utilisation by exploring opportunities for collaboration with partners and other similar authorities
- Sustainable, environmental and energy considerate sites
- Safe sites, maintained in good condition, and compliant with current legislation
- Sites which are accessible to all and compliant with the Equalities Act 2010
- BREEAM standard of “very good” for all new builds.

In relation to the ICT Asset Management Plan, Members were advised that it can be split into six key delivery areas, as follows:

- The ICT infrastructure
- Commodity applications which run on the ICT infrastructure
- Fire Control applications which run on the ICT infrastructure
- Financial applications which run on the ICT infrastructure
- Corporate applications which run on the ICT infrastructure
- The ICT Service Desk

With regards to the Transport Asset Management, the following 6 key objectives were highlighted to Members:

- To support MFRS aims and objectives
- To ensure the most efficient support and use of transport resources
- To maintain the appropriate levels of operational capability
- To reduce costs and offer value for money
- To maintain a level of flexibility to adjust to the changing demands of MFRS
- To facilitate the long term planning of transport assets
- To make provision for a long term sustainable environmentally friendly solution for the MFRA fleet.

With regards to transport, Members commented around the use of fully electric vehicles and potential use of the increased number of on street charging points.

Members were advised that this will be progressed, although the challenge at the moment, is around the broader infrastructure to support those

developments. However Members were assured that considerations around electric vehicles, remain a high priority when refreshing our fleet.

Further questions were raised by Members with regards to the Property Asset Management Plan, specifically around two properties identified within the plan, which are both over 100 years old, with Members asking about the purpose of those buildings; and whether officers are content with the condition of them.

Members were advised that with regards to the Cable Street Garage site, the site was purchased by MFRA and the garage was demolished in order to build accommodation for LLAR staff working at Formby Community Fire Station. With regards to the Old Stores site, Members were advised that this is a small area adjacent to Aintree Fire Station, which is still in MFRA's ownership and is currently being used for storage; although it could be disposed of if Members were minded to do so.

Members Resolved that:

The revised Asset Management Plans provided as Appendices to this report, be approved.

## **7. MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2020/2021 – 2024/2025**

Members considered Report CFO/008/20 of the Director of Finance, concerning information in order to allow Members to set a medium term capital and revenue financial plan that allocates resources in line with the Authority's strategic aims and ensures that the Authority delivers an efficient and effective, value for money service, aligned to its budget principles. This will enable the Authority to determine a budget for 2020/2021 whilst setting a precept level which is in line with statutory requirements.

Members were advised that the budget and financial plan report, provides all the necessary financial information, for Members to approve a financial strategy that sets a balanced 2020/21 revenue budget, based on a 1.98% precept increase.

It was highlighted to members that Section C of the report, considers the proposed 5 year capital programme and associated prudential borrowing requirement. They were informed that the total capital programme provides for investment of £33.4m, of which £23.6m is being funded by prudential borrowing. Members were advised that most of the planned spend is included within the existing 5 year capital programme, however new schemes totalling £4.9m, have now been built into the proposed 2020/21 – 2024/25 capital programme, but £3.7m of this increase, relates to the addition of the new fifth year – 2024/25. Members were also advised that a summary of the areas of planned capital spend, is included within the report at Paragraph 54.

Members were informed that Section D of the report, considers how the Minimum Revenue Provision, which is the sum that will be set aside each year

to repay debt associated with capital expenditure funded through borrowing, will be calculated. They were advised that the recommendation is to adopt a similar strategy to the current MRP determination; and use the asset life method for all unsupported borrowing.

It was highlighted to Members that the Authority is required to consider the impact of the proposed capital investment over a number of prudential indicators, which are detailed within Section E of the report. They were also advised that a key indicator, is that debt is only incurred to meet capital expenditure; and therefore net borrowing does not, except in the short term, exceed the total Capital Financing Requirement. It was confirmed that the current and planned borrowing, meets this requirement.

Members were advised that the Authority is required to prepare a Treasury Management Strategy, which is set out at Section F of the report. They were advised that the proposed investment strategy, is consistent with the current strategy; and recommends continuing with the institutional limits and minimum credit ratings, as detailed within the report.

Members were advised that the proposed Authorised Limit for gross borrowing of £46m, will ensure that the total gross debt does not exceed the Capital Financing Requirement: and that borrowing is only incurred to cover capital investment.

It was confirmed to Members that all costs associated with the proposed five year capital programme and prudential borrowing, have been built into the proposed medium term financial plan; and therefore the proposed 5 year Capital Programme and associated funding, as outlined in Appendix B, is deemed to be prudent, sustainable and affordable.

Members were advised that Section G of the report, considers the current Medium Term Financial Plan (MTFP) assumptions; and any required changes. They were informed that the revised assumptions, costs and funding, that were considered at the Budget Strategy Day in January; and the impact these changes have on the MTFP, are outlined within the report.

It was highlighted to Members that the overall impact of the required changes to the current MTFP on the 2020/2021 financial position is neutral and therefore the forecast for 2020/2021 remains balanced. They were also advised that due to the level of uncertainty over 2021/2022 and future years forecasts, particularly around pay and Government Funding, Members are asked to simply note any financial challenge in these years at this point in time.

Members were informed that Section H of the report, considers options for looking at meeting any 2021/22 and future years financial challenge, if it materialises; and were advised that the report provides some reference to the issues that would be considered to balance future budgets.

Members were also advised that Section I of the report, reviews the current General Revenue and Committed Reserves, along with their proposed use. Members' attention was drawn to the table within the report, which outlines the anticipated reserve drawdown over the financial plan period. It was confirmed to

Members that the Authority is recommended to maintain a general fund reserve at the current level of £3m, which equates to 5% of the net operating expenditure budget.

Section J of the report was then highlighted to Members, which identifies that £30.3m needs to be raised from the Council Tax Precept in 2020/21, to balance the revenue budget. Members were informed that this would require an increase in the current Council Tax Band D precept of 1.98%, or an increase in the Council Tax Band D of £1.56, raising the figure from £78.84 to £80.40.

The Chair of the Authority thanked everyone involved in the production of the balanced budget; and placed on record his thanks to all staff for their hard work and going the extra mile to ensure the communities of Merseyside are kept as safe as possible.

A number of comments were made by Members expressing support for the budget proposals; and the Chair of the Authority invited any comments from the representative bodies.

The Chair of the Authority – Cllr Les Byrom, then formally moved the proposed Budget Resolution on behalf of the Labour Group.

The motion was seconded by the Vice-Chair, Cllr Brian Kenny.

Members voted on the motion, as follows:

17 Members voted in favour of the motion (all Members in attendance)

0 Members voted against the motion

0 Members abstained.

The Budget Resolution for 2020/21 was therefore unanimously approved.

Members Resolved that:

- a) The 2020/2021 service budget set out in the report, be noted.
- b) The Director of Finance's recommendation on maintaining the current level of general fund balance at £3.000m, and maintaining the reserves as outlined in Paragraph 127 to 129 of this report, be endorsed.
- c) The current plan to increase the precept by just below 2% (1.98%) for 2020/2021, raising the Band D Council Tax from £78.84 to £80.40 and confirm the strategy for future precept rises (the plan assumes further increases of just under 2% in each year thereafter), be endorsed.
- d) The assumptions in developing a five year (2020/21 – 2024/25) Financial Plan outlined in the report, be endorsed.
- e) The Medium Term Financial Plan in Appendix C and the 2020/2021 budget estimate of £61.961m, be approved.

- f) The Director of Finance be granted delegated authority to take up the option of paying Merseyside Pension Fund 80% of the 2020/2021 – 2022/2023 forecast LGPS employer future service contributions **if** the advice from the Auditor and legal professionals is that it is allowable, and accept the discount offered by the Fund.
- g) The 2020/2021 – 2024/2025 amended MTFP outlined in the report and summarised in Appendix C, be approved.
- h) The capital strategy and investment strategy as summarised in Appendix B, be approved.
- i) The Minimum Revenue Provision (MRP) strategy for 2020/2021 as outlined in Paragraph 61 to 70 of this report, be approved.
- j) The prudential indicators relating to the proposed capital programme, paragraph 76 to 80 of this report, be approved.
- k) The Treasury Management Strategy outlined in Section F, be approved; and the Treasury Management indicators be agreed as set out in the section for:-
  - i. External Debt
  - ii. Operational Boundary for Debt
  - iii. Upper limits on fixed interest rate exposure
  - iv. Upper limits on variable rate exposure
  - v. Limits on the maturity structure of debt
  - vi. Limits on investments for more than 364 days
- l) The recommendations above be noted as providing an approved framework within which officers undertake the day to day capital and treasury activities.
- m) The Budget Resolution for 2020/21, be approved as follows:

**Merseyside Fire and Rescue Authority Budget and Medium Term Financial Plan Resolution 2020/2021 – 2024/2025**

1. Merseyside Fire and Rescue Authority (the Authority) suffered one of the largest cuts in Government funding of any Fire and Rescue Service in the country between 2010/2011 and 2019/2020. Over the period the Authority faced a 50% in real terms reduction in the grant support it receives from Government. Over the same period the Authority's total revenue budget reduced from £73.6m to £60.3m which represents an 18% cash or 40% real reduction.
2. The unprecedented reduction in Government funding required the Authority to make tough choices but it has a proven track record in managing its financial affairs well. Although the Authority planned prudently to minimise the impact on frontline services and identified significant efficiency savings by reducing management, support services costs and other technical

amendments unfortunately the Authority had no choice but to approve an unavoidable reduction in the operational front line.

3. The impact of these required cuts meant:-

- The firefighter establishment was reduced from 1,000 Full Time Equivalent (FTE) in 2010/2011 to potentially 620 FTEs, 38% lower, by 2019/2020.
- Support and technical staff reduced from 425 FTE to 291 FTE, a 32% reduction, and many of these staff carry out important front line preventative and response work with the Merseyside community.
- In 2010/11 the Authority had 26 full time fire stations, the current budget will see that reduce to 22 on a variety of duty cover systems by the end of 2020.
- In 2010/11 the Authority had 42 wholtime fire appliances immediately available and 1 retained - 43 appliances in total. The government cuts meant this would reduce to 26.

4. In 2019/2020 the Authority appointed a new Chair and Vice Chair(s) alongside the appointment of a new Principal Officer team. As part of the 2019/2020 budget process the new Chief Fire Officer working with the Director of Finance identified options to reverse some of the cuts to frontline services by releasing revenue monies through prudent debt management in order to re-invest £1m back into operational response and protection services. This was proposed on the basis of increased risk of fire and other emergencies, particularly the services ability to respond to large and/or protracted incidents; terrorist related threat and other major incidents; as well as the need to enhance protection functions in the light of the Grenfell Tower fire.

5. The Authority consulted on the alternative proposals in its supplement to the 2017-2020 IRMP and received support from the public on its proposals.

6. The Director of Finance identified a strategy to release debt servicing and pension deficit payment budgets to fund this £1m investment, and I'm happy to confirm the £1m has been delivered that can now fund the required investment that will see:-

- an increase the firefighter numbers on Merseyside by an additional 22 posts, to 642 and,
- an increase in retained (on call) contract holders
- increase fire engine/appliance availability from 26 to 30, and
- a new fire engineer post to work with partners ensuring the safety of residents in high rise buildings.

7. The Authority was and remains concerned that the reductions in services due to Government funding cuts since 2010/11 have gone too far, and that

the £1m investment only delivers some of the additional resources it believes are required by the Service.

8. The 2020/2021 Government Funding settlement meant the Authority will receive an increase of only 1.6% on its 2019/2020 settlement, less than the 2019/2020 firefighter pay award and below the expected increase in pay in 2020/2021. The Authority will benefit from a 1.7% increase in its Council Tax base, but in order to minimise the impact of a lower than inflation rise in Government support on the Fire and Rescue Service, it proposes a council tax increase of just under 2%.
9. The effect of the budget on the council tax will be a ***Band D Council Tax of £80.40 (which equates to £1.55 a week) an increase of 3p per week on the 2019/2020 figure.***
10. Most people in Merseyside will pay ***Band A Council Tax of £53.60 (£1.03 per week), an increase 2p per week on the 2019/2020 figure, towards their Fire & Rescue Service.***
11. The Authority recognises that the Fire and Rescue Service is required to resource on the basis of risk not demand. But it also appreciates that Merseyside faces more demands than most other services due to the high levels of deprivation that its communities experience. We urge this Government to reflect on the impact the last 10 years of cuts are having on the Fire and Rescue Service and properly review all risks facing the country in the light of emerging risks (for example a heightened terrorist threat or responding to increased flooding events through climate change) and would hope that resources are allocated in a way that allow Merseyside to continue to respond effectively to local and national threats.
12. Future Government funding cuts may force the Authority to make further reductions in frontline services despite achieving a £1m investment. Therefore the Authority will continue to lobby the Government against the level of cuts in funding made since 2010/2011 and highlight the consequences that further cuts will have on the effective delivering of a vital emergency service.
13. The Authority has undertaken a process of lobbying more extensively than any other Authority in the Country and we believe this may have avoided further and deeper cuts and our views on future funding have been heard at the highest levels of Government. The Authority has stated that it will not allow these cuts to go unchallenged, and it will use every political device available to improve funding so as to maintain the highest levels of public and staff safety here on Merseyside.

## **The Financial Plan**

14. In order to balance the financial plan, the Authority will adopt the following strategy

- Prepare a five-year financial plan based on the final Local Government Finance Settlement figures announced on 6<sup>th</sup> February 2020, that;
  - i. deals with the financial challenge arising from the known Government funding support up to 2020/2021, and
  - ii. although the financial plan has projected Authority spend and Government funding up to 2024/2025, the 2021/2022 and future years estimates are based on assumptions that are unpredictable as future Government funding for the Fire and Rescue Service is subject to a number of Government reviews and the national economic performance. Therefore the Authority has agreed to note the outstanding financial challenge from 2021/2022 at this point and will deal with any saving requirement in future budget rounds.
- To set council tax increases in line with its financial plan of just under 2% for 2020/2021 and just under 2% thereafter.
- That assumes annual pay increases for its staff will be within the 2.5% limit set in the plan. This reflects the recent pay offers made by other public sector employers.
- The Authority will continue if possible to identify additional efficiencies to re-invest in the frontline.
- The Authority will continue to focus its search for efficiencies through collaboration, management and support services costs and other technical reviews.
- Asks the Chief Fire Officer and his Strategic Leadership Team to review the current revenue and capital budget to identify areas of potential savings IF future Government funding requires savings to be found.

15. Noting that there is a risk in the Authority's current plan, in particular around the assumptions over future pay increases and the McCloud pension case (and any final remedy proposal). In addition the Fair Funding review may realign future fire and rescue funding that shifts resources away from those authorities with the greatest fire risk (high deprivation rates). It has therefore maintained a smoothing reserve of £2.000m and an inflation reserve of £0.700m as well as other reserves to cover specific risks.

16. The Authority recognises that the Chief Fire Officer needs to consider any recommendations on future national fire and rescue practices that come out of the Grenfell Inquiry and ongoing local challenges. It therefore recognises that the Chief Fire Officer will need to continue to manage operational crewing levels and appliance availability on a dynamic basis using a variety of response systems where necessary under his delegated powers as the financial plan proceeds to delivery.

17. The Authority is fully committed to reducing its own costs as the organisation responds to the Government cuts and what that means for local services.

The Authority had already made reductions in its allowances of £24,000 and the Authority will again freeze all member allowances for the twelfth consecutive year.

## **IRMP**

18. The Authority agrees to reflect this financial plan in its future Integrated Risk Management Plan (IRMP) and will consult with the local community and stakeholders on the IRMP during 2020/2021.

## **Implementation**

19. The Authority has already commenced the recruitment of the additional firefighters to bring the establishment up to 642, and will continue to recruit in advance of firefighter retirements to offset the expected retirement of nearly 50% of its workforce over the next 5 to 7 years. This will ensure the Chief Fire Officer has sufficient competent firefighters. In order to do this the Authority established a £3m firefighter recruitment reserve to enable recruitment to take place.

20. The Authority believes that a wholtime professionally trained workforce is the most resilient and effective way of delivering a Fire and Rescue Service to its communities and is fully committed to maintaining this approach. The use of wholtime / retained contracts which provide additional on call duties underpin the increase in fire engines from 26 to 30.

## **Council Tax**

21. The Authority had already assumed a council tax increase at the maximum level allowed by the Government before a referendum was required. The Government has confirmed that the threshold for 2020/2021 is an increase of just under 2%.

22. Because of the scale of the financial challenge and the future risk associated with the plan in future years the Authority has agreed, with a heavy heart, to stick to this plan and increase council tax to the maximum allowed before a referendum is required. In 2020/2021 the Authority has approved an increase of just below 2% to minimise the impact on the services to Merseyside in the future.

23. The impact of the budget on the council tax will be a Band D Council Tax of £80.40 (which equates to £1.55 per week) an increase of 3p per week on the 2019/2020 figure.

24. Most people in Merseyside will pay Band A Council Tax of £53.60 (£1.03 per week), an increase 2p per week on the 2019/2020 figure, towards their Fire & Rescue Service.

## **Collaboration with Blue Light Partners**

25. This Authority is fully committed to closer collaboration with our emergency service colleagues across the county. Many collaborative successes have been achieved so far including:-

- (i) The delivery of the Joint Command and Control Centre with Merseyside Police,
- (ii) Sharing 7 sites with North West Ambulance Service (NWAS) including NWAS Hazardous Area Response Team working alongside the Search and Rescue Team,
- (iii) The creation of a Joint Police and Fire Station in Knowsley
- (iv) Extensive joint planning and exercising.

26. The Authority instructs the Chief Fire Officer to continue to build upon this success and in particular to actively seek out opportunities of working with NWAS and Merseyside Police around sharing buildings, and other assets and corporate service functions.

### **Working with other Partners**

27. The Authority will continue to work in partnership with each District Council in order to explore opportunities which will mutually benefit each Authority in dealing with these and future financial challenges.

28. The Authority will examine the impacts of the devolution agenda and how best we can understand and develop constructive dialogue with the Liverpool City Region Combined Authority.

### **Reserves**

29. The Authority has prudently planned to meet its financial challenges over the medium term. The plan the Authority proposes is based upon the key assumptions around changes to grant, pay, tax and pension costs.

30. The Authority recognises that there are substantial risks associated with these assumptions and that, particularly in light of the current economic climate; it is not unreasonable to expect a significant degree of financial uncertainty and risk which will vary across the life of the financial plan. The Authority will therefore set a medium term financial plan based upon these key assumptions recognising that it may need to vary that plan to cope with changes arising.

31. In light of the risks within the financial plan the Authority therefore agrees to maintain the reserves as set out in Appendix B to this resolution and in particular maintain a general revenue reserve of £3.0m.

### **Capital Programme**

32. The Authority approves the Capital Programme as set out in CFO/008/20 which includes a total investment of over £33.390m over 2020/2021 –

2024/2025 period. The programme for 2020/2021 shall be approved as £18.246m.

33. The Authority notes the prudential indicators that this programme produces and recognises that the proposed capital investment programme is prudent, sustainable and the borrowing affordable. This programme makes use of the freedoms available to the Authority under the prudential regime and proposes 'prudential' borrowing of £9.996m in 2020/2021 as part of a total borrowing of £23.640m across the life of the plan.
34. In the light of the capital programme and the prudential indicators, the Authority agree the Treasury Management Strategy and the indicators set out in that strategy for:-
- (i) External Debt
  - (ii) Operational Boundary for Debt
  - (iii) Upper limits on fixed interest rate exposure
  - (iv) Upper limits on variable rate exposure
  - (v) Limits on the maturity structure of debt
  - (vi) Limits on investments for more than 364 days

### **Basic calculations**

35. Following consideration of the report of the Director of Finance (CFO/008/20) and having taken into account views expressed in consultations, and all other relevant matters, pursuant to the Local Government Finance Act 1992, as amended, (the "Act"), the Authority determines its budget requirement for the financial year 2020/2021 as follows.

36. Approves the capital expenditure programme for the financial year 2020/2021 for the total of £18.246m as set out in report CFO/008/20 and the five-year programme totalling investment of £33.390m, and in this respect notes the advice of the Director of Finance that the programme is prudent, sustainable and the borrowing affordable.

37. The Authority resolves as follows:

(a) It be noted that on 27th February 2020, the Authority calculated the Council Tax Base 2020/2021 for the whole Authority area as 376,908.99 [Item T in the formula in Section 42B of the Local Government Finance Act 1992, as amended (the "Act")].

(b) That the following amounts be calculated for the year 2020/2021 in accordance with sections 40 to 47 of the Act:

The Authority calculates the aggregate of: (A)

- the expenditure which it estimates it will incur in the financial year 2020/2021 in performing its functions and will charge to the revenue account for the year in accordance with proper practices under S42A (2) (a) of the Act as £87.977m,

- the allowance as the Authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to the revenue account for the year 2020/2021 in accordance with proper practices under S42A (2) (b) of the Act as £0.000m,
- the financial reserves which the Authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure for 2020/2021 under S42A (2) (c) of the Act as £0.072m,
- the financial reserves are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for any earlier financial year as has not been already provided for under S42A (2) (d) of the Act as £0.000m.

The Authority must also calculate the aggregate of: (B)

- the income which it estimates will accrue to it in the year 2020/2021 and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issued by it under S42A (3) (a) of the Act as £57.746m,
- The amount of the financial reserves which the Authority estimates that it will use in order to provide for the items mentioned in S42 (2) (a and b) under S42A (3) (a) of the Act as £5.643m.

If the aggregate calculated under A above exceeds that calculated under B above, the Authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year under S42A (4) (Item R in the formula in S42B of the Act).

The Authority calculates the basic amount of its council tax by dividing the aggregate amount of S42A (4) (item R) divided by the council tax base (item T) above. The council tax requirement for 2020/2021 is £30,303,483 and the council tax base is 376,908.99, which is equal to £80.40 precept for a Band D property. This calculation meets the requirements under S42B of the Act.

38. The Authority calculates the council tax sums pursuant to S47 of the Act as follows:

2020/21	Property Band		Increase	
£			£	%
£53.60	For properties in Band	A	1.04	1.98
£62.53	For properties in Band	B	1.21	1.97
£71.47	For properties in Band	C	1.39	1.98
<b>£80.40</b>	<b>For properties in Band</b>	<b>D</b>	<b>1.56</b>	<b>1.98</b>
£98.27	For properties in Band	E	1.91	1.98
£116.13	For properties in Band	F	2.25	1.98
£134.00	For properties in Band	G	2.60	1.98
£160.80	For properties in Band	H	3.12	1.98

39. The Authority calculates the precept amounts payable by each constituent district council pursuant to S48 of the Act as follows:-

PRECEPT		AUTHORITY
£		
8,764,540	Payable by	LIVERPOOL
7,554,858	Payable by	WIRRAL
4,202,669	Payable by	ST.HELENS
6,826,314	Payable by	SEFTON
2,955,102	Payable by	KNOWSLEY
30,303,483		

40. The Authority requests the Director of Finance to arrange for precepts to be issued to the constituent district councils pursuant to S40 of the Act before 1<sup>st</sup> March 2020, such sums to be payable by 10 equal instalments on or before the following dates:

Tuesday	21st April 2020
Friday	29th May 2020
Monday	6th July 2020
Tuesday	11th August 2020
Thursday	17th September 2020
Friday	23rd October 2020
Monday	30th November 2020
Friday	8th January 2021
Monday	15th February 2021
Wednesday	17th March 2021

41. The Authority notes that the Director of Finance has advised that the 2020/2021 budget is based upon robust estimates.

**Appendix A – 2020/2021 Budget & Financial Plan to 2024/2025**

## 2020/21 - 2024/25 FINANCIAL PLAN

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
<b>2019/20 MTFP</b>	61,381	62,759	64,150	65,350	65,350
<b>New Issues Identified In 2019/20:-</b>					
Revised FPS Employer Rates / Grant Announced by HO:-	-515	-515	-515	-515	-515
Increase 2020/21 & Future yrs Pay Award from 2% to 2.5%	197	437	677	917	1,157
2024/25 Inflation Provision					1,200
Unavoidable Growth	674	919	991	991	991
Additional MRP	224				
Recruitment reserve & drawdown based on actuals in year					
Employee Budget	-250	-750	-200	-200	0
Recruitment Reserve	250	750	200	200	0
	580	841	1,153	1,393	2,833
<b>UPDATED MTFP Budget Requirement</b>	<b>61,961</b>	<b>63,600</b>	<b>65,303</b>	<b>66,743</b>	<b>68,183</b>
<b>FUNDING</b>					
<b>Government Funding_Settlement Funding Assessment:</b>					
Top Up Grant .	-15,840				
CLG Estimate of Local Business Rate Share	-4,296				
<b>Baseline Funding Level</b>	<b>-20,136</b>				
RSG	-11,179				
	<b>-31,315</b>	<b>-31,315</b>	<b>-31,628</b>	<b>-31,944</b>	<b>-32,263</b>
Assume future SFA increase of +1% p.a.		-313	-316	-319	-323
<b>Settlement Funding Assessment</b>	<b>-31,315</b>	<b>-31,628</b>	<b>-31,944</b>	<b>-32,263</b>	<b>-32,586</b>
<b>Adjustment for Business Rates based on District Forecasts</b>					
Adjustment for Business Rate income forecast from Districts	-118	0	0	0	0
NNDR Collection Fund (surplus)/deficit	-139	0	0	0	0
<b>Adjustment to Local Business Rates income forecast</b>	<b>-257</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Council Tax -</b>					
Base Precept Income	-29,223	-30,303	-31,212	-32,148	-33,114
Assume increase in Council Tax Base of 1.0% p.a. from 2021/22	-492	-303	-312	-322	-331
Assume a Precept increase of just under 2% (1.98%) from 2021/22	-588	-606	-624	-643	-662
Council Tax Collection Fund (surplus)/deficit	-86	0	0	0	0
<b>Forecast Council Tax Income</b>	<b>-30,389</b>	<b>-31,212</b>	<b>-32,148</b>	<b>-33,113</b>	<b>-34,107</b>
<b>TOTAL FUNDING</b>	<b>-61,961</b>	<b>-62,840</b>	<b>-64,092</b>	<b>-65,376</b>	<b>-66,693</b>
<b>Forecast (Surplus) / Deficit</b>	<b>0</b>	<b>760</b>	<b>1,211</b>	<b>1,367</b>	<b>1,490</b>

## Appendix B- Reserves

	Estimated 2020/21 Opening Balance	Estimated 2020/21		Estimated 2021/22 Expected Use	Estimated 2022/23 Expected Use	Estimated 2023/24 Expected Use	Estimated 2024/25 Expected Use
		Base Budget	During 2020/2021				
<b>Committed Reserves</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Emergency &amp; Insurance Related Reserves</b>							
Bellwin & Emergency Planning Reserve	222	0	0	0	0	0	0
Insurance Reserve	383	0	0	0	0	0	0
<b>Modernisation Challenge</b>							
Smoothing Reserve	2,000	0	-1,300	-700	0	0	0
Recruitment Reserve	3,000	0	-400	-400	-400	-400	-400
Invest to Save Reserve	432	-223	0	-209	0	0	0
<b>Capital, Debt Repayment Res</b>	8,058	-5,329	0	-2,100	-629	0	0
<b>Specific Projects</b>							
PFI Annuity Reserve	1,895	-91	0	-95	-100	-110	-120
Inflation Reserve	700	0	0	0	0	0	0
Clothing Reserve	592	0	-392	-200	0	0	0
Training Reserve	150	0	-50	-50	-50	0	0
Equipment Reserve	77	0	-77	0	0	0	0
Healthy Community Reserve	30	0	-30				
Health & Wellbeing	25	0	-25	0	0	0	0
Community Engagement	7	0	-7	0	0	0	0
<b>Ringfenced Reserves</b>							
Community Risk Management Reserve	325	0	-125	-100	-100	0	0
Energy Reserve	18	72	0	25	-75	-40	0
New Dimensions Reserve	41		-41	0	0	0	0
<b>Total Committed Reserves</b>	<b>17,955</b>	<b>-5,571</b>	<b>-2,447</b>	<b>-3,829</b>	<b>-1,354</b>	<b>-550</b>	<b>-520</b>
<b>General Revenue Reserve</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
<b>Total Reserves</b>	<b>20,955</b>	<b>15,384</b>	<b>12,937</b>	<b>9,108</b>	<b>7,754</b>	<b>7,204</b>	<b>6,684</b>

Close

Date of next meeting Thursday, 25 February 2021