

### **Single Council Report – Update**

Since the Council report was published, the meeting held with representatives of Department of Communities and Local Government has provided further information which would change the content. It does not however change the drivers for forming a single Council and would still realise up to £0.5m in efficiency savings by removing duplication and work by officers that does not add value to front line service delivery.

A briefing note setting out the detail of the changes was circulated to all Members on Monday 24<sup>th</sup> July 2017 but a summary of the changes is as follows:-

#### **Implementation Date**

The implementation date for a Single Council would be 1<sup>st</sup> April 2020 (not 1<sup>st</sup> April 2019) as set out in the published report. Any proposal to form a Single Council would however still need to be submitted to DCLG for consideration by the end of October 2017. This therefore means that in order to consult on the proposal and bring those results back to Full Council prior to any submission to DCLG, a decision to proceed to consultation is required.

#### **Boundary review**

The report sets out that a Boundary review would unlikely to be concluded before the formation of the new Council. This has changed and in delaying the formation of a single Council until 2020, the Boundary review would be concluded before this with elections being held to the new Council in May 2020. Any order from Parliament would include extending the current term of Members by 12 months.

#### **Council Tax equalisation**

The report sets out that Council Tax can be equalised over a maximum of 5 years. The update from DCLG provided on Friday sets out that it is now possible to equalise Council Tax over a period of up to 10 years. The briefing sent out on Monday includes different equalisation periods and we can consult on a wider range of options than previously understood. It would ultimately still be down to the Secretary of State to decide the length of time over which Council Tax would be equalised.

#### **Revising Income and Expenditure**

The table below shows that by 2020/21 the net income position is £503,000 for the Single Council and this rises to £1.507 million by 2021/2022 (using Option 2 for equalisation of council tax over 5 years for illustrative purposes). By Year three (2022/23) the net income raised is £2.009 million and then this increases to £2.524 million by Year 5

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>Planning and Implementation costs</b>							
Advice and modelling for Council Tax	3,000	3,000	4,000				
Project Management and Support		15,000	15,000	15,000			
Public Consultation	12,500	2,500					
IT costs			25,000	25,000			
Comms Support / Branding/ website etc		5,000	10,000				
Remodelling council finances etc		25,000	10,000				
Legal, including novation of contracts			10,000	5,000			
Redundancy and pension strain costs				85,000	20,000	20,000	15,000
<b>Implementation Costs (one-off)</b>	<b>15,500</b>	<b>50,500</b>	<b>74,000</b>	<b>130,000</b>	<b>20,000</b>	<b>20,000</b>	<b>15,000</b>
					<b>Total Implementation costs</b>		<b>325,000</b>
<b>Savings</b>							
			<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>
Staff efficiency reductions					-370,000	-370,000	-370,000
One Financial Ledger (50% reduction) including reductions in processing recharges between councils etc					-25,000	-25,000	-25,000
Accommodation rationalisation (TBA)							
Member reductions (20% of £425,000)				-85,000	-85,000	-85,000	-85,000
Reduction in subscriptions and memberships				-20,000	-20,000	-20,000	-20,000
Reduction in Audit Fees				-40,000	-40,000	-40,000	-40,000
<b>Annual Savings</b>			<b>0</b>	<b>-145,000</b>	<b>-540,000</b>	<b>-540,000</b>	<b>-540,000</b>
					<b>Total Savings</b>		<b>-1,765,000</b>
<b>Increased Income</b>							
			<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>
Council Tax equalisation (Equalisation over 5 years is shown)				-488,000	-987,000	-1,489,000	-1,999,000
<b>Net cost/(additional income)</b>	<b>15,500</b>	<b>50,500</b>	<b>74,000</b>	<b>-503,000</b>	<b>-1,507,000</b>	<b>-2,009,000</b>	<b>-2,524,000</b>

The financial impact of the delay in implementation from 1<sup>st</sup> April 2019 to 1<sup>st</sup> April 2020 has been modelled and was shown on the papers issued on Monday 24<sup>th</sup> July. This showed the aggregated budget gaps for both Councils and the options for Members as to how the budget gaps could be met.