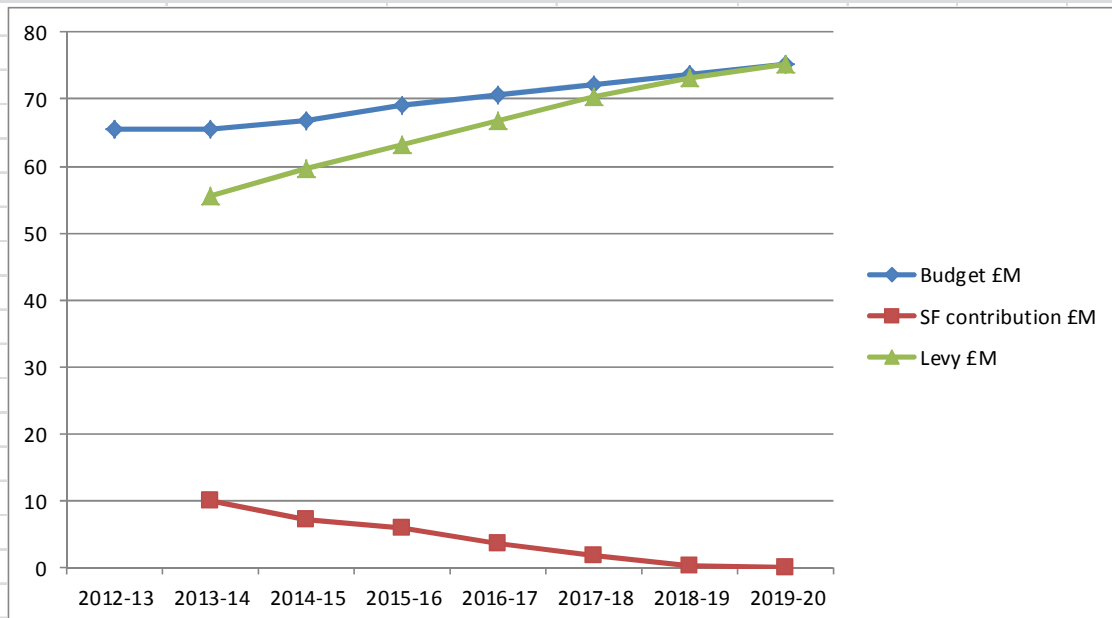


#### Levy options 2013-14

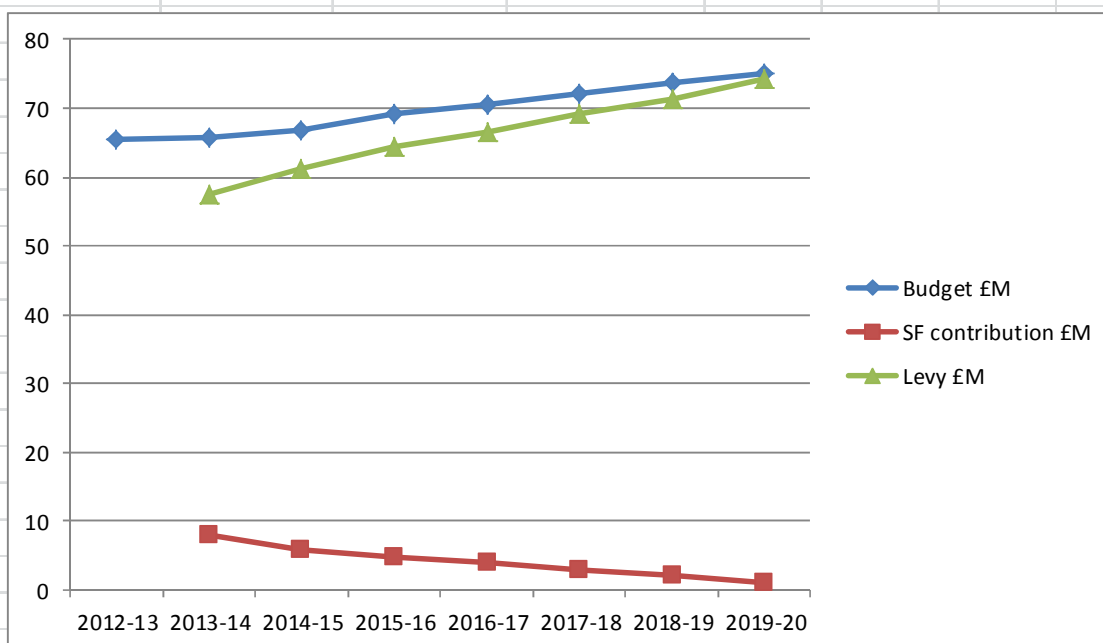
- The following pages set out a number of different options that have been considered for the Authority in terms of Levy and Sinking Fund contribution.
- The Authority's Sinking Fund was set aside for the purpose of minimising the effect of future cost rises on the Levy and therefore on District Councils.
- The extent to which the Sinking Fund may be utilised is dependent to a very significant degree upon the impact on the constituent District Councils.
- The impact on the District Councils is itself dependent upon the Government's Council Tax base formula and the effect on the Districts of adopting an approach that meets the terms of the Government's Council Tax freeze grant as well as the impact of the referendum criteria.
- A number of scenarios have been set out in the pages that follow – based on prudent assumptions about the growth in the Authority's cost base and a variety of Sinking Fund contribution rates.
- As a part of the approach to developing the options the District Council Treasurers have been consulted regularly.
- Initially the Treasurers' group requested a review of the options that enabled this Authority to contribute the maximum amount from the Sinking Fund – while ensuring the financial position of the Authority was secure. A number of options were presented for review and comment with this in mind.
- Following clarification from DCLG of their formula for calculating the Council Tax base for each of the Councils and the way that works with the proposed Council Tax freeze grant as well as the referendum for council tax increases District Treasurers requested that the Authority did not use the Levy to contribute from the Sinking Fund as this would have had a very detrimental effect on their financial position. As Treasurer I am satisfied that this represents the best outcome for 2013-14 as the Authority can sustain this position financially while it creates least financial difficulty for the Districts as a group.
- Treasurers have agreed to continue to work during 2013-14 with this Authority on the options available to the Authority for returning the Sinking Fund to Districts in a planned way from 2014-15 onwards.

MRWA budget, levy and sinking fund projections					
Assume £10M contribution from Sinking Fund					
year	Budget £M	SF contribution £M	Levy £M	% change %	
2012-13	65.5				
2013-14	65.6	10	55.6		<b>-15.11</b>
2014-15	66.9	7.2	59.7		<b>7.37</b>
2015-16	69.1	5.8	63.3		<b>6.03</b>
2016-17	70.6	3.7	66.9		<b>5.69</b>
2017-18	72.1	1.7	70.4		<b>5.23</b>
2018-19	73.6	0.4	73.2		<b>3.98</b>
2019-20	75.1	0	75.1		<b>2.60</b>
		0			
		28.8			



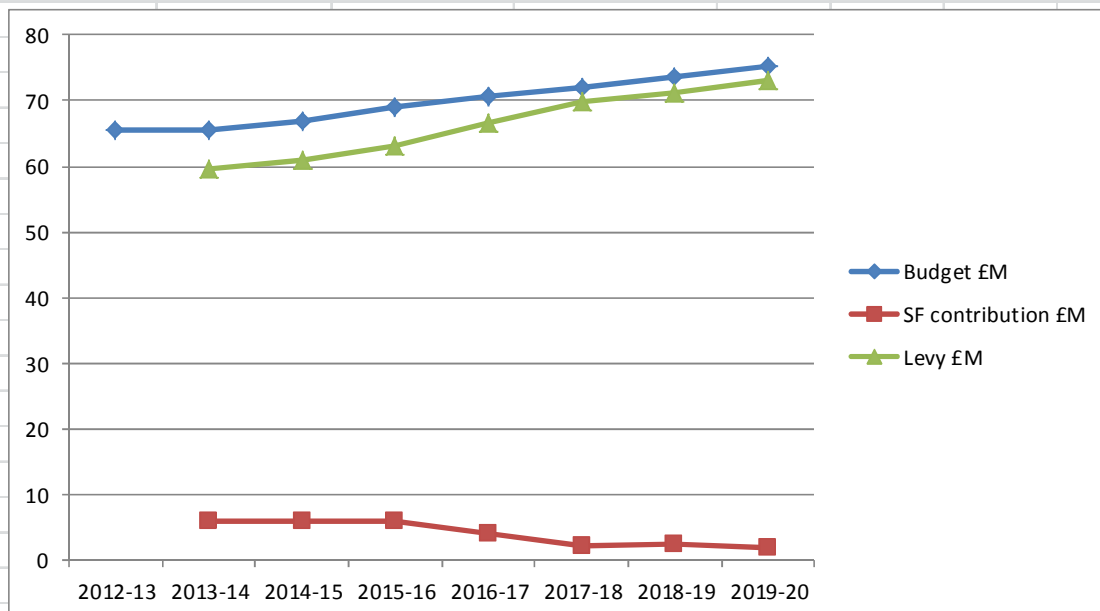
Impact on District Councils' Levy contribution			
Contribution from Sinking Fund = £10,000,000			
	2012/13 Levy	Proposed Levy 2013/14	Increase/ Decrease (-) 2013/14 Levy vs 2012/13 Levy
	£	£	£
Knowsley	7,128,483	6,126,095	<b>-1,002,388</b>
Liverpool	22,550,297	19,187,831	<b>-3,362,466</b>
St Helens	8,479,227	7,133,886	<b>-1,345,341</b>
Sefton	12,613,601	9,885,278	<b>-2,728,323</b>
Wirral	14,686,530	13,258,012	<b>-1,428,518</b>
	<b>65,458,138</b>	<b>55,591,102</b>	<b>-9,867,036</b>

MRWA budget, levy and sinking fund projections					
	Assume £8M contribution from Sinking Fund				
year	Budget £M	SF contribution £M	Levy £M	% change %	
2012-13	65.5				
2013-14	65.6	8	57.6	<b>-12.06</b>	
2014-15	66.9	5.8	61.1	<b>6.08</b>	
2015-16	69.1	4.8	64.3	<b>5.24</b>	
2016-17	70.6	4	66.6	<b>3.58</b>	
2017-18	72.1	3	69.1	<b>3.75</b>	
2018-19	73.6	2.2	71.4	<b>3.33</b>	
2019-20	75.1	1	74.1	<b>3.78</b>	
		0			
		28.8			



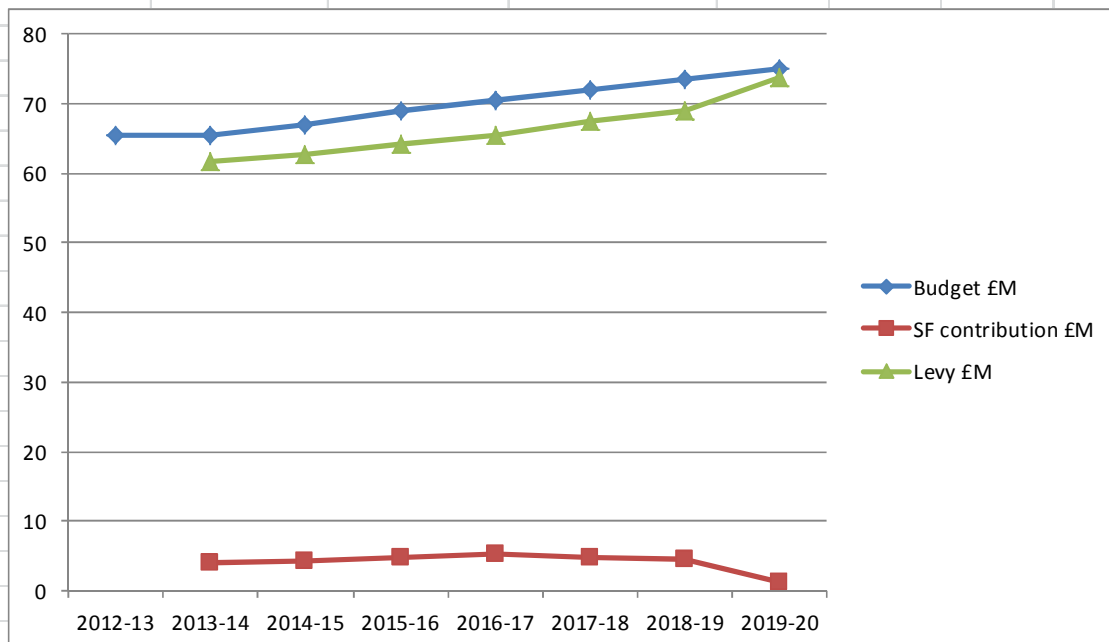
Impact on District Councils' Levy contribution			
Contribution from Sinking Fund - £8,000,000			
	2012/13 Levy £	Proposed Levy 2013/14 £	Increase/ Decrease (-) 2013/14 Levy vs 2012/13 Levy £
Knowsley	7,128,483	6,337,361	<b>-791,122</b>
Liverpool	22,550,297	19,863,186	<b>-2,687,111</b>
St Helens	8,479,227	7,387,724	<b>-1,091,503</b>
Sefton	12,613,601	10,281,745	<b>-2,331,856</b>
Wirral	14,686,530	13,721,088	<b>-965,442</b>
	65,458,138	57,591,104	<b>-7,867,034</b>

MRWA budget, levy and sinking fund projections					
Assume £6M contribution from Sinking Fund					
year	Budget £M	SF contribution £M	Levy £M	% change %	
2012-13	65.5				
2013-14	65.6	6	59.6	-9.01	
2014-15	66.9	6	60.9	2.18	
2015-16	69.1	6	63.1	3.61	
2016-17	70.6	4	66.6	5.55	
2017-18	72.1	2.3	69.8	4.80	
2018-19	73.6	2.5	71.1	1.86	
2019-20	75.1	2	73.1	2.81	
		0			
		28.8			



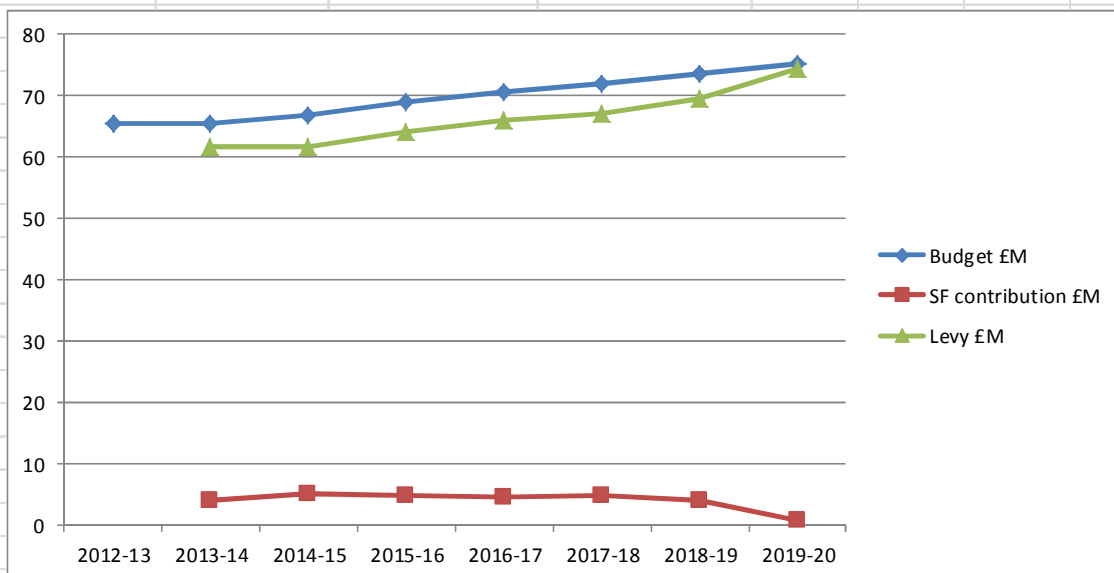
Impact on District Councils' Levy contribution			
Contribution from Sinking Fund - £6,000,000			
	2012/13 Levy £	Proposed Levy 2013/14 £	Increase/ Decrease (-) 2013/14 Levy vs 2012/13 Levy £
Knowsley	7,128,483	6,548,626	-579,857
Liverpool	22,550,297	20,538,541	-2,011,756
St Helens	8,479,227	7,641,561	-837,666
Sefton	12,613,601	10,678,212	-1,935,389
Wirral	14,686,530	14,184,164	-502,366
	65,458,138	59,591,104	-5,867,034

MRWA budget, levy and sinking fund projections					
Assume £4M contribution from Sinking Fund					
year	Budget £M	SF contribution £M	Levy £M	% change %	
2012-13	65.5				
2013-14	65.6	4	61.6		<b>-5.95</b>
2014-15	66.9	4.3	62.6		<b>1.62</b>
2015-16	69.1	4.8	64.3		<b>2.72</b>
2016-17	70.6	5.2	65.4		<b>1.71</b>
2017-18	72.1	4.7	67.4		<b>3.06</b>
2018-19	73.6	4.5	69.1		<b>2.52</b>
2019-20	75.1	1.3	73.8		<b>6.80</b>
		0			
		28.8			



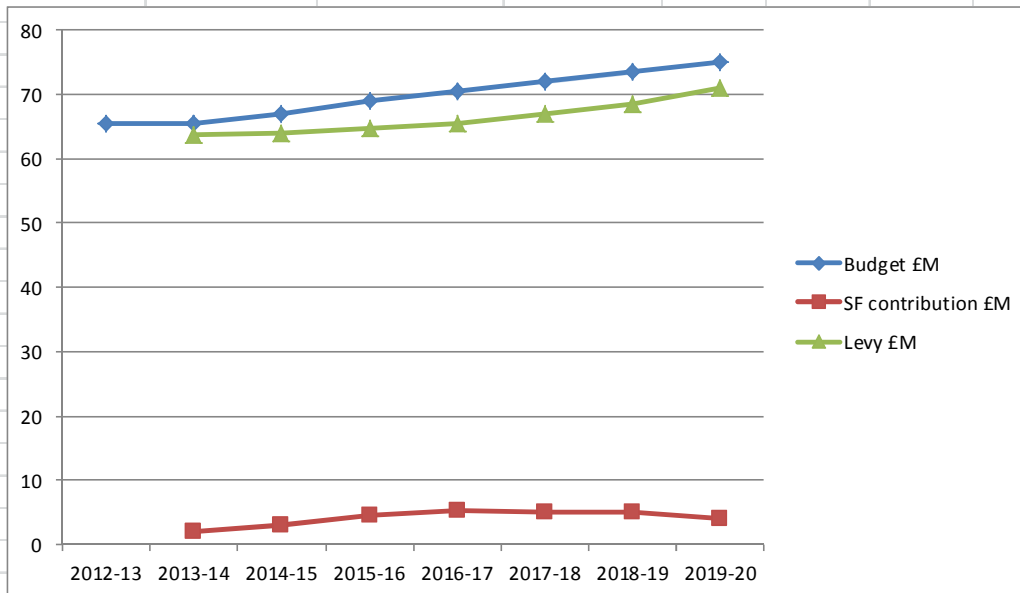
Impact on District Councils' Levy contribution			
Contribution from Sinking Fund - £4,000,000			
	2012/13 Levy £	Proposed Levy 2013/14 £	Increase/ Decrease (-) 2013/14 Levy vs 2012/13 Levy £
Knowsley	7,128,483	6,759,892	<b>-368,591</b>
Liverpool	22,550,297	21,213,895	<b>-1,336,402</b>
St Helens	8,479,227	7,895,398	<b>-583,829</b>
Sefton	12,613,601	11,074,679	<b>-1,538,922</b>
Wirral	14,686,530	14,647,239	<b>-39,291</b>
	65,458,138	61,591,103	<b>-3,867,035</b>

MRWA budget, levy and sinking fund projections					
Assume £4M contribution from Sinking Fund and steady year 2					
year	Budget £M	SF contribution £M	Levy £M	% change %	
2012-13		65.5			
2013-14		65.6	4	61.6	-5.95
2014-15		66.9	5.3	61.6	0.00
2015-16		69.1	5	64.1	4.06
2016-17		70.6	4.6	66	2.96
2017-18		72.1	4.9	67.2	1.82
2018-19		73.6	4.2	69.4	3.27
2019-20		75.1	0.8	74.3	7.06
			0		
			28.8		



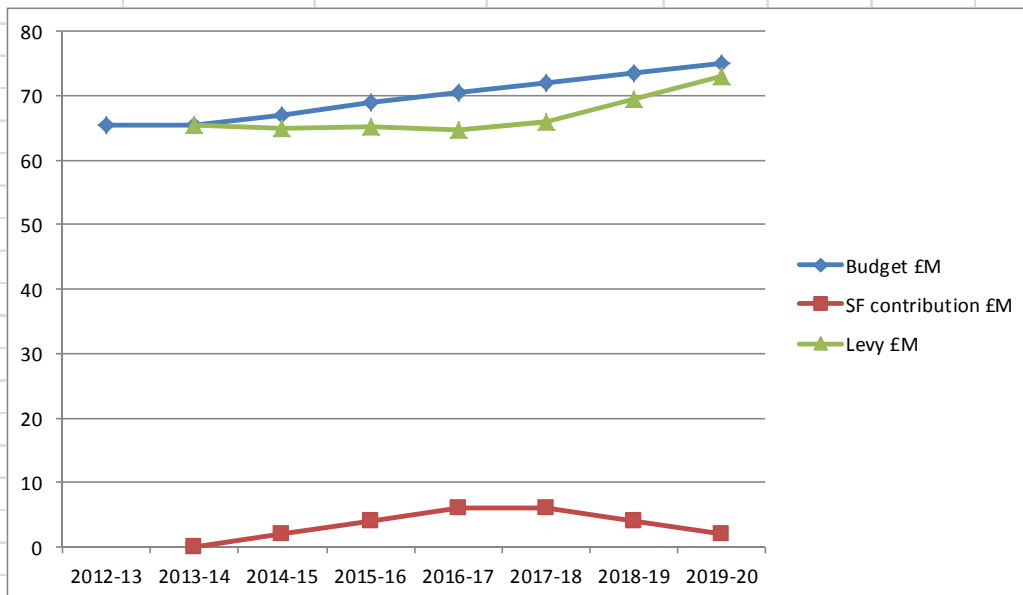
Impact on District Councils' Levy contribution			
Contribution from Sinking Fund - £4,000,000			
	2012/13 Levy £	Proposed Levy 2013/14 £	Increase/ Decrease (-) 2013/14 Levy vs 2012/13 Levy £
Knowsley	7,128,483	6,759,892	-368,591
Liverpool	22,550,297	21,213,895	-1,336,402
St Helens	8,479,227	7,895,398	-583,829
Sefton	12,613,601	11,074,679	-1,538,922
Wirral	14,686,530	14,647,239	-39,291
	65,458,138	61,591,103	-3,867,035

MRWA budget, levy and sinking fund projections				
Assume £2M contribution from Sinking Fund				
year	Budget £M	SF contribution £M	Levy £M	% change %
2012-13	65.5			
2013-14	65.6	2	63.6	<b>-2.90</b>
2014-15	66.9	3	63.9	<b>0.47</b>
2015-16	69.1	4.5	64.6	<b>1.10</b>
2016-17	70.6	5.2	65.4	<b>1.24</b>
2017-18	72.1	5.1	67	<b>2.45</b>
2018-19	73.6	5	68.6	<b>2.39</b>
2019-20	75.1	4	71.1	<b>3.64</b>
		0		
		28.8		



Impact on District Councils' Levy contribution			
Contribution from Sinking Fund - £2,000,000			
	2012/13 Levy £	Proposed Levy 2013/14 £	Increase/ Decrease (-) 2013/14 Levy vs 2012/13 Levy £
Knowsley	7,128,483	6,971,157	<b>-157,326</b>
Liverpool	22,550,297	21,889,250	<b>-661,047</b>
St Helens	8,479,227	8,149,235	<b>-329,992</b>
Sefton	12,613,601	11,471,145	<b>-1,142,456</b>
Wirral	14,686,530	15,110,315	423,785
	65,458,138	63,591,102	<b>-1,867,036</b>

MRWA budget, levy and sinking fund projections					
Assume Zero contribution from Sinking Fund					
year	Budget £M	SF contribution £M	Levy £M	% change %	
2012-13	65.5				
2013-14	65.6	0	65.6		<b>0.15</b>
2014-15	66.9	2	64.9		<b>-1.07</b>
2015-16	69.1	4	65.1		<b>0.31</b>
2016-17	70.6	6	64.6		<b>-0.77</b>
2017-18	72.1	6	66.1		<b>2.32</b>
2018-19	73.6	4	69.6		<b>5.30</b>
2019-20	75.1	2	73.1		<b>5.03</b>
			-4.8		
			28.8		



Impact on District Councils' Levy contribution			
Contribution from Sinking Fund - £4,000,000			
	2012/13 Levy £	Proposed Levy 2013/14 £	Increase/ Decrease (-) 2013/14 Levy vs 2012/13 Levy £
Knowsley	7,128,483	7,182,423	53,940
Liverpool	22,550,297	22,254,605	14,308
St Helens	8,479,227	8,403,073	-76,154
Sefton	12,613,601	11,867,612	-745,989
Wirral	14,686,530	15,573,390	886,860
	65,458,138	65,591,103	132,965