

REPORT TO: Executive Board

DATE: 21 November 2013

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: Budget Proposals 2014/15

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council initial revenue budget proposals for 2014/15.

2.0 RECOMMENDED: That Council approve the initial budget proposals for 2014/15 set out in Appendix 1.

3.0 SUPPORTING INFORMATION

3.1 The Medium Term Financial Strategy elsewhere on this Agenda forecasts a potential revenue budget funding gap for the Council of around £15m in 2014/15, £17m in 2015/16 and £14m in 2016/17.

3.2 Budget saving proposals for 2014/15 are currently being developed by the Budget Working Group. A number of these proposals, listed in Appendix 1, can be implemented immediately. It is proposed that this is done in order to achieve a part-year saving in 2013/14 which will assist in keeping the Council's overall spending in line with budget. In addition, a number of the proposals will take time to implement and therefore commencing the process as soon as possible will assist in ensuring they are fully implemented by 1st April 2014.

3.3 The Government will announce its Grant Settlement for Local Government in late December, at which point the Council's actual funding gap will be identified. Further savings proposals to enable the Council to deliver a balanced budget will be recommended to Council on 5th March 2014.

4.0 POLICY AND OTHER IMPLICATIONS

4.1 The revenue budget supports the Council in achieving the aims and objectives set out in the Community Strategy for Halton and the Council's Corporate Plan.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 The revenue budget supports the delivery and achievement of all the Council's priorities. The budget proposals listed in Appendix 1 have been prepared in consideration of all the Council's priorities.

6.0 RISK ANALYSIS

6.1 Failure to set a balanced budget would put the Council in breach of statutory requirements. The budget is prepared in accordance with detailed guidance and a timetable to ensure statutory requirements are met and a balanced budget is prepared that aligns resources with corporate objectives.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

8.1 There are no background papers under the meaning of the Act.

COMMUNITIES DIRECTORATE
2014/15 Budget Savings Proposals

| Item | Budget Proposal | 2014/15 £000 |
|------|---|-----------------------------------|
| 1. | Learning Disabilities: A grant for learning disabilities has now been mainstreamed into the Council's core budget. | 96 |
| 2. | Complex Care Pool: Savings include some additional (beds) income generated based upon care services, a review of reablement and intermediate care and a reform grant which has been mainstreamed into the Council's budget. Certain expenditure will be met from the pooled budget providing a one-off saving. | 330 1,600 (1 year only) |
| 3. | Independent Living: Savings from a combination of funds which have led to the reconfiguration of the home improvement agency service, improvements to the Property Pool Plus and a review of the approach to the Mental Capacity Act Co-ordination which has absorbed roles into teams. | 100 |
| 4. | Community Involvement Team: Increased income generated at Community Centres. | 20 |
| 5. | Open Spaces: Restructure of Street Cleansing without reducing service delivery (£40,000); additional income from Registration Services (£10,000) and the Brindley (£40,000). | 90 |
| 6. | Sport and Recreation: Re-negotiation of Leisure Management contract (ends January 2016). | 100 |
| 7. | Stadium and Catering: Various efficiencies in School Meals (£50,000) and Community Meals (£25,000) in order to reduce the cost of provision without affecting service delivery. | 75 |
| 8. | Waste and Recycling: Budget savings to be achieved from redesigning the recycling reward scheme (£100,000) and a review of household waste centres (£150,000). | 250 |
| 9. | Commissioning: Cessation of the YMCA Nightstop contract. Managed underspends in 2013/14 on social care contracts and the social care reform grant carried forward to provide a one-off saving. | 46 300 (1 year only) |

| Item | Budget Proposal | 2014/15 £000 |
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| 10. | Community Services: Additional income generation from Community Day Services businesses. | 120 (1 year only) |
| 11. | Carers: A combination of savings from the Carers Centre following their successful lottery bid and the Carers Centre taking over some of the functions of the Carer Development role. | 48 |
| 12. | Commissioning & Complex Care: The Operational Director has moved to part-time working. | 50 |
| | Permanent Savings | 1,205 |
| | One-year Savings | 2,020 |
| | TOTAL | 3,225 |

CHILDREN & ENTERPRISE DIRECTORATE
2014/15 Budget Savings Proposals

| Item | Budget Proposal | 2014/15 £000 |
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| 1. | <p>Team Around the Family - Children's Centres:</p> <ul style="list-style-type: none"> • Reduction in various supplies and services budgets (£50,000) • Income generation from room hire, charging for services, increasing current charges (£25,000) • Reduce marketing budget to a minimum and use electronic systems/ social media systems that are significantly lower costs (£1,000) | 76 |
| 2. | <p>Team Around the Family - Family Support; Intensive Support; Integrated Working Support Team; Short Breaks for Disabled Children:</p> <ul style="list-style-type: none"> • Reduction of a Family Support Worker post (£30,000) • Cease the counselling contract as the service is duplicated within another contract (£13,000) • Review of financial support to disabled children and families (£30,000) | 73 |
| Item | Budget Proposal | 2014/15 £000 |
| 3. | <p>0 – 19 (School and Setting Improvement) Division:</p> <ul style="list-style-type: none"> • Efficiency savings in portage (£10,000) • Reduction in the early years foundation stage (EYFS) training budget in private and voluntary settings (£20,000) • Reduction in the graduate leader fund budget in private and voluntary settings (£90,000) • Reduction in the EYFS workforce development training budget in private and voluntary settings (£30,000) | 150 |
| 4. | <p>Inclusion and Special Educational Needs (SEN) Division:</p> <ul style="list-style-type: none"> • Education & Child Psychology Service and Attendance & Behaviour Service – additional income generation through traded services | 70 |
| 5. | <p>Children's Organisation and Provision:</p> <ul style="list-style-type: none"> • Reviewed and restructured support which provides Careers Information, Advice and Guidance for young people (£100,000) • Restructure and deletion of two vacant support staff posts (£53,000) | 153 |
| 6. | The Education Business Partnership (EBP): | 85 |

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| | <ul style="list-style-type: none"> Income generation through commissioning EBP to delivery employer mentoring and ambassador elements of the Information, Advice and Guidance strategy for an initial 12 months contract (£30,000) <p>14-19 Entitlement:</p> <ul style="list-style-type: none"> Income generation through a shared service arrangement with Cheshire West & Chester Council for 14-19 provision, initially for one year (£40,000) Income generation through the sale of a "Raising the Participation Age Data Tracking Service" to other councils for an initial one year contract (£15,000) | (1 year only) |
| 7. | <p>Place Planning & Provision Division:</p> <ul style="list-style-type: none"> Reduce various supplies and services budgets (£7,000) Reduce Childminder Start Up and Sustainability budgets to provide a net saving (£5,000). Reduction in the operational budget for the Family Information Service (£16,000) Service restructure and reduction of a Divisional Manager post (£70,000) <ul style="list-style-type: none"> One-off contribution of £250,000 from the Building Schools for the Future Licence Fund | 98 250 (1 year only) |
| Item | Budget Proposal | 2014/15 £000 |
| 8. | Asset Management Division - Reductions in premises costs from reducing the industrial and commercial estate portfolio e.g. Waterloo Centre and Moor Lane (net of lost income) | 75 |
| 9. | <p>Development & Investment Services Division:</p> <ul style="list-style-type: none"> One-off fee income generated through charging in relation to Regional Growth Funded schemes Reduction in marketing, promotions and maintenance at Widnes Market Hall | 20 (1 year only) 25 |
| 10. | Operations Division - Restructuring of the Operations Team with a resulting reduction of 2 fte posts | 90 |
| Permanent Savings | | 810 |
| One-year Savings | | 355 |
| TOTAL | | 1,165 |

POLICY & RESOURCES DIRECTORATE
2014/15 Budget Savings Proposals

| Item | Budget Proposal | 2014/15 £000 |
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| 1. | Procurement Division: Income generation from the delivery of procurement related services to external organisations including CCGS and councils. | 200 |
| 2. | Revenues & Benefits Division: Housing Benefits Section - One off underspend in 2013/14 from holding a number of posts vacant. It is anticipated that given the impact of the Welfare Reforms these posts will need to be filled in 2014/15. | 70 (1 year only) |
| 3. | Revenues & Benefits Division: HDL Shops - Changes to rating valuations were made by the VOA from 1/4/13, the cost of which is provided for within the HDL budget. Implementation was expected from 1/4/12 and therefore financial provision was made which is no longer required and will provide a one-off saving. | 125 (1 year only) |
| Item | Budget Proposal | 2013/14 £000 |
| 4. | Financial Management Division: Net reduction in the staffing budget following a major restructure of the Division and resultant deletion of vacant posts. | 50 |
| 5. | Concessionary travel passenger numbers are lower than anticipated and therefore it is anticipated that there will be an underspend in 2013/14 which will be carried forward to provide a one-off saving for 2014/15. | 50 (1 year only) |
| 6. | Audit & Operational Finance Division: Direct Payments Team - Reduction in the staffing budget from a voluntary reduction in hours for one postholder. | 7 |
| 7. | Audit & Operational Finance Division: Insurance Section - Reduction in insurance premium costs from adopting an increased level of self-insurance for motor vehicle cover. | 20 |
| 8. | Audit & Operational Finance Division: Finance Support Team - Savings from bringing invoice scanning arrangements back in-house (£8,000), additional income generated from SLA with schools (£2,000) and introduction of the Early Payment Discount Scheme (£20,000). | 30 |
| 9. | Audit & Operational Finance Division: Cashiers Section - Reduction in the contract cost for cash kiosk support and maintenance (£5,000) and increased income from cashiers services provided under contract to HHT | 10 |

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| | (£5,000). | |
| 10. | Audit & Operational Finance Division: Internal Audit - Income generation from external contracts to provide internal audit services to Cheshire Police and Manchester Port Health Authority. | 6 |
| 11. | Audit & Operational Finance Division: Client Finance Section - Realignment of the income budget following the previous year's introduction of charges for appointeeship / deputyship clients, due to the number of clients being higher than anticipated. This will not alter the level of charges to clients. | 10 |
| 12. | HR Learning & Development Division: A staffing restructure during 2013/14 will generate a one-off saving from an underspend in 2013/14 and an on-going annual saving from 2014/15 onwards. | 156 39 (1 year only) |
| 13. | Marketing, Design and Communications: Ceasing the contract for the provision of external press cuttings. | 2 |
| Item | Budget Proposal | 2013/14 £000 |
| 14. | Legal Services: Reduction in legal books and publications budget (£10,000), full year balance of previous year's savings already achieved (£53,000) and reduction in the staffing budget following a change in grading of Legal Assistant posts (£10,000). | 73 |
| 15. | Democratic Services Division: Reduction in staffing budget following the deletion of a vacant Member Services and Electoral Officer post (£28,000) and the full year balance of previous year savings already achieved (£5,000). | 33 |
| 16. | Customer Intelligence Unit: Reduction in the staffing budget through deletion of a vacant Complaints Officer post. | 27 |
| 17. | Traffic, Risk & Emergency Planning, Health & Safety Division: <ul style="list-style-type: none"> • Improved street lighting efficiency through use of long life lamps (£51,000) • Increased income from charges for street works inspections/defects (£10,000) | 61 |
| 18. | Councilwide Procurement Savings - Target for achievement of reductions in contract prices across the Council from improved procurement. | 700 |
| 19. | Salary Sacrifice Car Scheme - Estimated savings in employee oncosts from the introduction of a salary | 40 |

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| | sacrifice car scheme. The annual saving will increase as take-up of the new scheme increases. | |
| 20. | Reductions in United Utility charges following a review of the basis for charges for surface water drainage at various Council owned car parks. This will provide a one-off saving from repayment of arrears and an on-going permanent budget saving. | 8 30 (1 year only) |
| 21. | Carbon Reduction Commitment - The threshold for inclusion within the national carbon reduction scheme has been raised such that the Council no longer falls within the scheme. This will provide a one-off saving from the underspend in 2013/14 and an on-going permanent saving from 2014/15. | 200 200 (1 year only) |
| Permanent Savings | | 1,633 |
| One-year Savings | | 514 |
| TOTAL | | 2,147 |