

REPORT TO: Executive Board

DATE: 20th November 2014

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: Initial Budget Proposals 2015/16

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council initial revenue budget proposals for 2015/16.

2.0 RECOMMENDED: That Council approve the initial budget proposals for 2015/16 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 £19m in 2015/16, £13m in 2016/17 and £10m in 2017/18.

3.1 Budget saving proposals for 2015/16 are currently being developed by the Budget Working Group. A number of these proposals, listed in the Appendix, can be implemented immediately. It is proposed that this is done in order to achieve a part-year saving in 2014/15 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 2015. The Appendix also presents the impact in 2016/17 of certain savings proposals

3.2 Given the scale of the forecast funding gaps, the Budget Working Group has also proposed the use of £5.5m from the Council's reserves in 2015/16. This will provide a one-off saving which will delay the need to achieve these savings until 2016/17. This will therefore provide additional time to assist the Council with identifying the necessary permanent savings and reshaping the business where necessary to achieve this.

3.3 In addition, the Budget Working Group proposed that a number of assumptions made within the Medium Term Financial Strategy are revised downwards and these have been reflected in the Strategy.

3.4 The following table summarises the budget proposals of the Budget Working Group and identifies the remaining forecast budget gaps.

	2015/16 £m	2016/17 £m	Total £m
Forecast Budget Gaps as per MTFS	19.0	13.0	32.0
Less Budget Savings Proposals;			
Communities Directorate	-2.1	+0.9	-1.2
Children & Enterprise Directorate	-1.1	-1.5	-2.6
Policy & Resources Directorate	-1.7	+0.6	-1.1
Use of Reserves / Councilwide	-6.6	+5.4	-1.2
Remaining Forecast Budget Gaps	7.5	18.4	25.9

3.5 The Government will announce its Grant Settlement for Local Government in late December, at which point the Council's actual funding gap for 2015/16 will be identified. Further savings proposals to enable the Council to deliver a balanced budget for 2015/16 will be recommended to Council on 4th 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.

	DEPARTMENT/ DIVISION/ SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM OR TEMP (P / T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2015/16 £'000	2016/17 £'000		
COMMUNITIES DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
1	Stadium	To review rental charges for all users and tenants of the Stadium and to explore other opportunities within existing spaces	86 current income target	40	-	P	D
2	Stadium	Stage a pop concert at the Stadium Meetings with potential partners to stage a concert at the Stadium, possibly need to seek invest to save funding.	N/A	100	-	P	D
3	School Meals	Increase the charge for a school meal by 10p	1,825 current income target	100	-	P	D
4	Stadium	Opportunity to host an annual vintage bike show on the pitch perimeter at the Stadium.	N/A	10	-	P	D
5	Waste Management	Introduce a charge for all recycling bins at any new properties and for any replacement bins. (similar to now with black bins)	374 current expenditure budget	50	-	P	D

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				2015/16 £'000	2016/17 £'000		
6	Waste Management	Charge for trade waste to be introduced at household recycling centres.	165 current income target	50	-	P	D
7	Leisure Recreation & Services	Host park events such as circus, fun fair, beer festivals, and theatres.	21 current income target	10	-	P	D
8	Leisure Recreation & Services	Allotment charges annual increase (on average 95p per week increase).	24 current income target	5	-	P	D
9	Leisure Recreation & Services	Further pursue commercial opportunities at The Brindley (e.g. more sell-out acts).	329 current ticket sales	25	-	P	D
10	Registration Services	Bereavement Services increased charges 5% above inflation in order to get closer to full cost recovery.	786 current income target	20	-	P	D
11	Registration Services	Registration Services opportunities (e.g. increase costs of wedding ceremonies).	147 current income target	10	-	P	D

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				2015/16 £'000	2016/17 £'000		
12	Catering Services	Increase income generation from catering opportunities at Runcorn Town Hall and Community Centre cafes.	N/A	5	-	P	D
EFFICIENCY OPPORTUNITIES							
13	Waste Management	A range of operational efficiency measures including route optimisation.	787	150	-	P	D
14	Waste Management	Cease third party recycling credit.	5	5	-	P	D
15	Waste Management	Cease to operate the current recycling rewards scheme and replace with an in-house developed scheme.	146	50	-	P	D
16	Library Service	Efficiency Review of Library Services.	2,095	230	-	P	M
17	Prevention and Assessment	Redesign the Reablement Service.	892	80	-	P	D

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				2015/16 £'000	2016/17 £'000		
18	Prevention and Assessment /Commissioning	Reduce provision of the Halton Speak Out Self-Advocacy Service and Person Centred Planning Support contract.	96	46	-	P	D
19	Prevention and Assessment	Cease In-House support for Naughton Fields extra-care facility through transferring responsibility to HHT.	388	20	-	P	D
20	Prevention and Assessment	DM Commissioning (temporary secondment).	70	70	- 70	T	D
21	Commissioning and complex care	Management restructure.	-	50	-	P	D
22	Commissioning and complex care	Carers re-design utilising underspend on the 2014/15 carers budget.	440	50	- 50	T	M
OTHER BUDGET SAVINGS							
23	Prevention and Assessment	Restructure Home Improvement Agency.	120	30	-	P	M

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				2015/16 £'000	2016/17 £'000		
24	Prevention and Assessment	Restructure the Vision Rehabilitation Service.	87	50	-	P	M
25	Prevention and Assessment	Sure Start for Later Life and Learning Disabilities Nursing Team reduce training budget as underspent in recent years.	30	23	-	P	M
26	Prevention and Assessment	Review allocation of funding in line with Better Care Fund.	731	731	- 731	T	M
TOTAL PERMANENT				1,159	0	P	
TOTAL TEMPORARY (ONE-OFF)				851	-851	T	
GRAND TOTAL				2,010	-851		

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				2015/16 £'000	2016/17 £'000		
CHILDREN & ENTERPRISE DIRECTORATE							
SHARED / COLLABORATIVE SERVICES							
1	Emergency Duty Team	<p>Currently a shared service with St Helens. Proposal to include Warrington following their request to join the service, which has been agreed in principle.</p> <p>Work is underway with Warrington to evaluate new model and potential for cost savings from improved administrative procedures without any impact upon service delivery.</p>	180	20 (includes 10k within Communities)	-	P	M
EFFICIENCY OPPORTUNITIES							
2	Children and Families Supervised Contact Service for Children	Original proposal to contract out not ultimately viable as would need additional investment. Now proposing deletion of a vacant Community Support Worker post instead.	221	30	-	P	M

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				2015/16 £'000	2016/17 £'000		
3	Review of Property Assets and sites	<p>A full review of the Council's land and property assets will be undertaken.</p> <ul style="list-style-type: none"> To explore ways of minimising and reducing property/site related costs. To evaluate whether property/site related assets are sufficient and in the right condition to meet the Council's objectives. To consider alternative options for property provision. To investigate opportunities for sharing or leasing assets. To consider consolidating buildings further. To initially look at John Briggs House. 	12,000	1,000	1,500	P	D
TOTAL PERMANENT				1,050	1,500	P	
TOTAL TEMPORARY (ONE-OFF)				0	0	T	
GRAND TOTAL				1,050	1,500		

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POLICY & RESOURCES DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
1	Finance Dept / Audit & Op Finance Div / Purchase to Pay	Additional income to be generated from the on-going development of the Supplier Early Payment Discount Scheme.	-20	10	-	P	D
2	Finance Dept / Audit & Op Finance Div / Client Finance	Increase in the charges made for managing the finances of Appointeeship Clients from £5 to £6 per week, which were frozen in 2014/15.	-61	15	-	P	D
3	Human Resources	Generation of additional external income from provision of payroll, employee relations and recruitment services to academy schools, Mersey Gateway Crossings Board and Riverside College.	-411	30	-	P	D
	DEPARTMENT/	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING		PERM OR	MANDATORY OR DISCRETIONARY

	DIVISION / SERVICE AREA		£'000	2015/16 £'000	2016/17 £'000	TEMP (P / T)	SERVICE AFFECTED (M / D)
4	Legal & Democratic Services Dept / Legal Services	Levy annual charge to Halton Borough Transport Ltd for legal services provided in order to ensure full cost recovery.	N/a	5	-	P	D
5	Public Health	Generate additional income by providing Health Improvement Services to other councils, in particular packages such as weight management.	N/a	50	-	P	D
6	Policy Planning & Transportation/ Highways	Introduction of a permit scheme to manage roadworks undertaken by utilities and other companies.	N/a	100	50	P	D
7	Policy Planning & Transportation/ Development Control	Additional income generated from levying pre-application development control fees.	10	15	-	P	D
	DEPARTMENT/	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING		PERM OR	MANDATORY OR DISCRETIONARY

	DIVISION / SERVICE AREA		£'000	2015/16 £'000	2016/17 £'000	TEMP (P / T)	SERVICE AFFECTED (M / D)
SHARED / COLLABORATIVE SERVICES							
8	Public Health	To undertake joint working on social marketing, workforce development and training packages with the Cheshire & Merseyside Public Health Network.	256	40	-	P	M
9	ICT and Support Services Department/	ICT staffing restructure in light of the Council's future ICT needs and income generation opportunities, resulting in the deletion of vacant posts.	2,920	100	-	P	D
PROCUREMENT OPPORTUNITIES							
10	Finance Dept / Audit & Op Finance Div / Purchase to Pay	Cease the invoice scanning contract with Northgate Systems and undertake all invoice scanning in-house.	8	8	-	P	D
	DEPARTMENT/	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING		PERM OR	MANDATORY OR DISCRETIONARY

	DIVISION / SERVICE AREA		£'000	2015/16 £'000	2016/17 £'000	TEMP (P / T)	SERVICE AFFECTED (M / D)
11	Corporate	Reduction in surface water drainage charges at Murdishaw Leisure Centre following investigations by an external consultancy.	N/a	6	-	P	D
12	Public Health	Reduce the cost of Public Health contracts through retendering exercises.	1,063	200	-	P	M
EFFICIENCY OPPORTUNITIES							
13	Finance Dept / Financial Management Division	A re-structure of Financial management was completed in 2013/14 which achieved savings. The balance of savings has now been released following appointments to all remaining posts.	1,297	30	-	P	D
14	Finance Dept / Procurement Division	Deletion of a vacant HBC5 Procurement Officer post and a vacant 0.5fte HBC7 Procurement Officer Post.	648	44	-	P	D
15	Legal & Democratic Services Dept / Legal Services	Voluntary reduction in hours of an HBC3 Clerical Assistant post in Legal Services from full time to 3 days per week.	1,077	8	-	P	D
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	DIVISION / SERVICE AREA		£'000	2015/16 £'000	2016/17 £'000	TEMP (P / T)	SERVICE AFFECTED (M / D)
16	Policy Planning & Transportation/ Street Lighting	Energy and maintenance savings from street lighting equipment being transferred to Merseylink as part of the Mersey Gateway project.	50	50	-	P	M
17	Policy and Development Services/ Planning and Transport Policy Team	Voluntary reduction in hours agreed for a Transport Policy Officer post.	620	16	-	P	D
18	Legal & Democratic Services Dept / Democratic Services Division	Reduction in the frequency of Area Forum meetings to 2 per year, and deletion of a vacant Committee Officer post.	492	30	-	P	D
OTHER BUDGET SAVINGS							
19	Finance Dept / Financial Management Division	Reduction in the budget for external audit fees relating to grant claim audits.	167	7	-	P	M
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20	Corporate	Feed-in tariffs on previously installed solar panels will not be paid over to reimburse the Invest to Save fund (but the energy saving will still be), so as to lengthen repayment period.	N/a	30	-	p	D
21	Corporate	One-off backdated reimbursements received following various business rate revaluations.	N/a	30	- 30	T	D
22	Finance Dept / Audit & Op Finance Div / Insurance	Reduction in self-insurance costs relating to the lease car fleet, as the number of vehicles reduces as the scheme winds down until 2017, with the introduction of the salary sacrifice car scheme.	15	15	15	P	D
23	Finance Dept / Revenues, Benefits & Customer Svcs Division / Business Rates	Deletion of the charitable rate relief budget, which is no longer required to reimburse the national rates pool, following the introduction of the business rates retention scheme from 1/4/13. This will provide a one-off underspend saving from 2014/15 and a permanent budget saving from 2015/16 onwards.	120	120 120	- 120 -	T P	D
	DEPARTMENT/	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING		PERM OR	MANDATORY OR DISCRETIONARY

	DIVISION / SERVICE AREA		£'000	2015/16 £'000	2016/17 £'000	TEMP (P / T)	SERVICE AFFECTED (M / D)
24	Finance Department / Revenues, Benefits & Customer Svcs Division / Business Rates & Council Tax	Unspent new burdens grant funding not utilised in past two years as significant changes to business rates and council tax arrangements have been implemented utilising existing staff resources.	N/a	300	- 300	T	M
25	Legal & Democratic Services Dept / Democratic Services Division	Use ticket income to meet the costs of the Mayor's Civic Ball, which was previously donated to the Mayor's charity.	35	3	-	P	D
26	Local Bus Support	Reduction in the current budget by a further 5% to be achieved through procurement processes. This would not result in the loss of any existing supported bus services.	534	27	-	P	D
27	Bus Shelters	Reduction in the current budget by 10%, which would reduce our ability to repair and maintain the bus stop infrastructure.	20	2	-	P	D
	DEPARTMENT/	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING		PERM OR	MANDATORY OR DISCRETIONARY

	DIVISION / SERVICE AREA		£'000	2015/16 £'000	2016/17 £'000	TEMP (P / T)	SERVICE AFFECTED (M / D)
28	Logistics Division	Reduce current budget for Lowerhouse Lane Depot gas supplies by 30%, as a result of reduced costs experienced following major capital works at the Depot.	40	10	-	P	D
29	Policy Planning & Transportation/ Street Lighting	Release of a one-off reserve held in relation to a previous year undercharge for street lighting electricity charges, which is now time expired.	N/a	117	- 117	T	D
30	Policy Planning & Transportation/ Street Lighting	The Council charges developers a fee for the design, handling and installation of street lighting equipment. The proposed saving is from accumulated fees not utilised, as costs have been met from the existing street lighting budget.	N/a	100	- 100	T	D
31	Policy and Development Services	Reductions in various operational budgets.	44	24	-	P	D
TOTAL PERMANENT				995	65	P	
TOTAL TEMPORARY (ONE-OFF)				667	- 667	T	
GRAND TOTAL				1,662	- 602		

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USE OF RESERVES & COUNCILWIDE ITEMS							
1	Chief Executive	Income from Mersey Gateway Crossings Board for provision of Chief Executive.	N/A	60	60	T	D
2	Reserves	One-off contributions from the following reserves; <ul style="list-style-type: none"> • General reserve • Insurance Reserve • Invest to Save Fund • Transformation Fund 	8,646 3,802 1,397 2,215	3,500 1,000 500 500	-3,500 -1,000 -500 -500	T T T T	D
3	Supplies & Services	8% reduction in general supplies and services budgets.	12,500	1,000	-	P	D
TOTAL PERMANENT				1,000	-	P	
TOTAL TEMPORARY (ONE-OFF)				5,560	-5,440	T	
GRAND TOTAL				6,560	-5,440		