

**REPORT TO:** Executive Board  
**DATE:** 6<sup>th</sup> February 2014  
**REPORTING OFFICER:** Operational Director – Finance  
**SUBJECT:** Draft Budget 2014/15  
**PORTFOLIO:** Resources  
**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

- 1.1 To recommend to Council the budget, capital programme and council tax for 2014/15.
- 1.2 The Police and Crime Commissioner and the Cheshire Fire Authority are not expected to set their precept until after the meeting of Executive Board. Therefore a number of figures contained within the report and resolution cannot yet be finalised and these are indicated by question marks. Once known these figures will be incorporated into the report and resolution to Council showing the Total Council Tax.

**2.0 RECOMMENDATION: That the Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £108.234m, the Council Tax requirement of £37.101m (before Parish, Police and Fire precepts) and the Band D Council Tax for Halton of £1,181.56.**

## **3.0 SUPPORTING INFORMATION**

### **Medium Term Financial Strategy**

- 3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 21<sup>st</sup> November 2013. In summary, a funding gap of around £15m in 2014/15, £17m in 2015/16 and £14m in 2016/17 was identified. The Strategy had the following objectives:
- Deliver a balanced and sustainable budget
  - Prioritise spending towards the Council's five priority areas
  - Avoid excessive Council Tax rises
  - Achieve significant cashable efficiency gains
  - Protect front line services as far as possible
  - Deliver improved procurement

## **Budget Consultation**

- 3.2 The Council uses various consultation methods to listen to the views of the public and Members own experience through their Ward work is an important part of that process. The Council also undertakes Budget Presentations at its seven Area Forums giving local people the opportunity to feed their views into the process. As those meetings were taking place when this report was being drafted any views offered by the Area Forums will be reported to the Executive Board at the meeting.
- 3.3 Individual consultations are taking place in respect of specific budget reductions and equality impact assessments will be completed where necessary.

## **Review of the 2013/14 Budget**

- 3.4 The Executive Board receives regular reports summarising spending in the current year against the budget. The latest report indicates that spending will be within budget for the year. It is anticipated that balances at 31st March 2014 will be around £7.1m, broadly as planned when the budget was set last year.

## **2014/15 Budget**

- 3.5 On 10<sup>th</sup> December 2013 the Council approved initial budget savings for 2014/15 of £6.537m and the new proposed savings are shown in Appendix B.
- 3.7 The proposed budget totals £108.234m. The departmental analysis of the budget is shown in Appendix C and the major reasons for change from the current budget are shown in Appendix D.
- 3.8 The proposed budget incorporates the grant figures announced in the Final Grant Settlement. It includes £673,000 for the New Homes Bonus grant, which is payable to local authorities based upon the net increase in the number of homes in their area. This grant is payable at this amount for 6 years.
- 3.9 It is considered prudent for the budget to include a general contingency of £1m. This should be sufficient to cover the potential for price changes, increases in demand led budgets, as well as a general contingency for uncertain and unknown items.
- 3.10 The Local Government Act 2003 places a requirement on the Chief Financial Officer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. In my view the budget setting process and the information provided should be sufficient to allow the Council to come to an informed view regarding the 2014/15 budget, capital programme and

council tax. Balances and reserves should provide sufficient resilience to meet the financial consequences of any unforeseen events.

### **Local Government Finance Settlement**

- 3.11 The Government announced on 5<sup>th</sup> February 2014 the Final Local Government Finance Settlement for 2014/15, which was in line with the Provisional Settlement announced on 18<sup>th</sup> December 2013.
- 3.12 From 1<sup>st</sup> April 2013 the Local Government funding regime changed significantly with the introduction of the Business Rates Retention Scheme. Under the Scheme 50% of any increase in business rates generated within the Borough above a baseline level, is retained. The Council also receives a Top-Up grant, as it previously received more funding than the business rates it collected and paid over to Government. In addition, the Council receives Revenue Support grant.
- 3.13 For 2014/15 Halton's total Government grant funding (Settlement Funding Allocation) will be £71.142m. This is made up of £32.154m Baseline Funding, £7.309m Top-Up grant and £31.679m Revenue Support grant. In total the Settlement Funding Allocation has reduced by £7.806m or 9.9% from the 2013/14 adjusted level.
- 3.14 The Government have once again offered Councils a Council Tax Freeze grant equivalent to a 1% increase in council tax. The grant will be paid for 2014/15 and 2015/16 and thereafter will be included into the Local Government spending review baseline from 2016/17.
- 3.15 As far as the non domestic premises are concerned, the rate is fixed centrally by the Government, and for 2014/15 has been set at 48.2p in the pound, an increase of 2% and 47.1p in the pound for small businesses, an increase of 2%.

### **Budget Outlook**

- 3.16 It is very difficult to forecast resources over the following two years, given the uncertainties caused by the current economic climate and the Government's continuing austerity measures. Nevertheless, the Medium Term Financial Forecast has been updated and the latest forecast is shown in Appendix E.
- 3.17 The resultant funding gap over the next two years is forecast to be in the region of £35.9m. The approach to finding these savings will be the continuation of the budget strategy of:
- Progressing the Efficiency Programme.
  - Reviewing the portfolio of land and assets, including the use of buildings, in accordance with the Accommodation Strategy.
  - Better procurement.
  - Reviewing terms and conditions of staff (subject to negotiation).

- Offering staff voluntary early retirement and voluntary redundancy under the terms of the Staffing Protocol.
- Reducing the cost of services either by reducing spend or increasing income.
- Partnership working, collaboration and sharing of services with other councils and other organisations.
- Stopping some lower priority services.

3.18 The budget strategy is predicated on the Government continuing to withdraw considerable amounts of grant from the Council. To help offset this loss, support will be given to our partners and the voluntary sector to lever-in monies to the Borough.

### **Halton's Council Tax**

3.19 The Government no longer operate council tax capping powers, but instead there is a requirement for councils to hold a local referendum if they propose to increase council tax by more than a percentage threshold prescribed by the Government.

3.20 The Government have confirmed the availability of a council tax freeze grant, as outlined in paragraph 3.14 above, and have set the council tax referendum threshold at 2%.

3.21 The tax base (Band D equivalent) for the Borough has been set at 31,400.

3.22 The combined effect of the budget, government support and council tax base gives a Band D Council Tax for Halton of £1,181.56, an increase of 1.9% over the current year. This is equivalent to £22.72 per week.

### **Parish Precepts**

3.23 The Parish Councils have set their precepts for the year as shown below, with the resultant additional Council Tax for a Band D property being as follows:

	Precept	Precept Increase		Additional Council Tax	Basic Council Tax
	£	£	%	£	£
Hale	15,400	0	0	23.95	1,205.51
Daresbury	3,475	-618	-15.1	23.17	1,204.73
Moore	4,300	100	2.4	13.61	1,195.17
Preston Brook	8,000	740	10.2	25.08	1,206.64
Halebanks	13,820	-935	-6.3	27.98	1,209.54
Sandymoor	15,600	0	0	16.42	1,197.98

### **Average Council Tax**

- 3.24 In addition, it is also necessary to calculate the average Council Tax for the area as a whole. This is the figure required by Government and used for comparative purposes. For a Band D property the figure is £1,183.49, an increase of £21.99 per annum.

### **Police Precept**

- 3.25 The Cheshire Police and Crime Commissioner has set the precept on the Council at £?.???m which is £???.?? for a Band D property, an increase of £?.?? or ?.?%. The figures for each Band are shown in Recommendation 5 in Appendix A.

### **Fire Precept**

- 3.26 The Cheshire Fire Authority has set the precept on the Council at £?.???m which is £???.?? for a Band D property, an increase of £?.?? or ?.?%. The figures for each Band are shown in Recommendation 6 in Appendix A.

### **Total Council Tax**

- 3.27 Combining all these figures will give the Total Council Tax for 2014/15 and these are shown in Recommendation 7 in Appendix A. The total Band D Council Tax (before Parish precepts) is £?,???.?? an increase of £?.?? or ?.?%. The increases in Parish precepts means the increase in Hale is ?.?%, in Daresbury is ?.?%, in Moore is ?.?%, in Preston Brook is ?.?%, in Halebank is ?.?% and in Sandymoor is ?.?%.
- 3.28 It is expected that Halton's Total Council Tax will continue to be amongst the lowest in the North West. Given that nearly half of all properties in the Borough are in Band A, and also 85% of properties are in Bands A-C, most households will pay less than the "headline" figure. In addition, many households will receive reduced Council Tax bills through discounts, and these adjustments will be shown on their bills.
- 3.29 A complex set of resolutions, shown in Appendix A, needs to be agreed to ensure that the Budget and Council Tax level are set in a way which fully complies with legislation, incorporating changes required under the Localism Act 2012.

## Capital Programme

3.30 The following table brings together the existing capital programme with the single spending guidelines and other funding streams and shows how the capital programme will be funded.

	2014/15	2015/16	2016/17
	£000	£000	£000
<u>Spending</u>			
Scheme estimates	35,591	15,371	77,286
Slippage between years	+ 13,185	+ 7,118	+ 3,074
	- 7,118	- 3,074	- 15,457
	<u>41,658</u>	<u>19,415</u>	<u>64,903</u>
<u>Funding</u>			
Borrowing and Leasing	14,512	2,909	60,541
Grants and External Funds	18,850	10,293	2,493
Direct Revenue Finance	359	300	0
Capital Receipts	<u>7,937</u>	<u>5,913</u>	<u>1,869</u>
	<u>41,658</u>	<u>19,415</u>	<u>64,903</u>

3.31 The committed Capital Programme is shown in Appendix F. In addition, new capital spending will come forward as required to Executive Board from relevant Directorates as a result of Government allocations. These allocations are currently funded by capital grant. The Capital Programme reflects the funding to be provided by the Council during this period towards the Mersey Gateway project, which will be financed from toll revenues.

3.32 At the end of the period the balance of capital receipts is forecast to be £2.9m. This is marginally below the long established minimum value of £3m and consequently, there are no funds available for new capital starts unless external funding is available or further savings are identified to cover financing costs.

## Prudential Code

3.33 The Local Government Act 2003 introduced the Prudential Code which provides a framework for the self-regulation of capital expenditure. The key objectives of the Code are to ensure that the Council's:

- capital expenditure plans are affordable;
- external borrowing is within prudent and sustainable levels;
- treasury management decisions are taken in accordance with good professional practice; and
- is accountable by providing a clear and transparent framework.

- 3.34 To demonstrate that councils have fulfilled these objectives, the Prudential Code sets out a number of indicators which must be used. These are included in the Treasury Management Strategy report elsewhere on the Agenda. The prudential indicators are monitored throughout the year and reported as part of the Treasury Management quarterly monitoring reports to the Executive Board.

### **School Budgets**

- 3.35 Schools are fully funded by Government Grants, primarily the Dedicated Schools Grant (DSG) which is mainly used to fund the Individual School Budgets. DSG is now allocated in three notional blocks – Schools Block, Early Years Block and High Needs Block. The funding is allocated to schools by way of a formula in accordance with the revised funding arrangements introduced in April 2013 and updated for April 2014 and is primarily based on pupil numbers.
- 3.36 The Government have announced Unit of Funding allocations split between blocks. For Halton the per pupil Unit of Funding for the Schools Block is £4,857.53, for the Early Years Block is £3,363.39. The High Needs Block is no longer funded on a per pupil unit basis but on a total figure of £13,887,000. Schools will be informed of their funding allocation for Schools Block funding by 28<sup>th</sup> February 2014 in accordance with the Financial Scheme. Early Years and High Needs funding will be notified to relevant schools during March 2014. The minimum funding guarantee has been set so that the maximum reduction for schools is 1.5% with a cash floor reduction of 2% for each council.
- 3.37 The Pupil Premium has been set at £1,300 per Primary pupil who are or have been eligible for Free School Meals in the last six years. For Secondary pupils this is set at £935 per pupil. The eligibility for Looked After Children has been widened significantly to include children who have been looked after for one day or more (instead of six months or more), children who have been adopted from care and children who leave care under a special guardianship order or residence order. These pupils will be funded at £1,900 per pupil. Eligibility for the Service Children premium has also been adjusted and will be funded at £300 per pupil. The Pupil Premium will be added to school budgets on top of the minimum funding guarantee.
- 3.38 The allocation of DSG funding to schools for 2014/15 will be via the schools funding formula, which has been approved by the Schools Forum following consultation with schools and DfE.

## **4.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

The budget will support the Council in achieving the aims and objectives set out in the Community Strategy for Halton and the

Council's Corporate Plan and has been prepared in consideration of the priorities listed below.

**4.1 Children and Young People in Halton**

**4.2 Employment, Learning and Skills in Halton**

**4.3 A Healthy Halton**

**4.4 A Safer Halton**

**4.5 Halton's Urban Renewal**

**5.0 RISK ANALYSIS**

5.1 The budget is prepared in accordance with detailed guidance and timetable to ensure the statutory requirements are met and a balanced budget is prepared that aligns resources with corporate objectives.

5.2 A number of key factors have been identified in the budget and a detailed risk register has been prepared. These will be closely monitored throughout the year and the contingency and Reserves and Balances strategy should help mitigate the risk.

**6.0 EQUALITY AND DIVERSITY ISSUES**

6.1 Equality Impact Assessments will be undertaken in relation to the individual savings proposals as required.

**7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Local Government Finance Report (England) 2014/15	Financial Management Kingsway House	Steve Baker



## APPENDIX A

### DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL AT ITS MEETING ON 5<sup>th</sup> MARCH 2014

**RECOMMENDATION:** that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the Budget for 2014/15, the savings set out in Appendix B and the Capital Programme set out in Appendix F.
2. That it be noted that at the meeting on 10<sup>th</sup> December 2013 the Council agreed the following:
  - (a) The Council Tax Base 2014/15 for the whole Council area is 31,400 (item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act) and
  - (b) For dwellings in those parts of its area to which a Parish precept relates, be set out as follows:

Parish	Tax Base
Hale	643
Daresbury	150
Moore	316
Preston Brook	319
Halebank	494
Sandymoor	950

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which special items relate.

3. Calculate that the Council Tax requirement for the Council's own purposes for 2014/15 (excluding Parish precepts) is £37,100,984.
4. In accordance with the relevant provisions of the Local Government Finance Act 1992 (Sections 31 to 36), the following amounts be now calculated by the Council for the year 2013/14 and agreed as follows:
  - (a) £313,613,399 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the said Act, taking into account all precepts issued to it by Parish Councils.

- (b) £276,451,820 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £37,161,579 – being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31A(4) of the Act).
- (d) £1,183.49 – being the amount at 3(c) above (item R), all divided by item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £60,595 – being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act, each individual Parish precept being:

	£
Hale	15,400
Daresbury	3,475
Moore	4,300
Preston Brook	8,000
Halebank	13,820
Sandymoor	15,600

- (f) £1,181.56 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (g) Part of the Council's Area

	£
Hale	1,205.51
Daresbury	1,204.73
Moore	1,195.17
Preston Brook	1,206.64
Halebank	1,209.54
Sandymoor	1,197.98

being the amounts given by adding to the amounts at 3(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in

each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings of its area to which one or more special items relate.

(h) Part of the Council's Area

Band	Hale	Daresbury	Moore	Preston Brook	Halebank	Sandymoor	All other Parts of the Council's Area
	£	£	£	£	£	£	£
A	803.65	803.16	796.78	804.43	806.36	798.66	787.71
B	937.59	937.01	929.58	938.50	940.75	931.76	918.99
C	1,071.53	1,070.88	1,062.38	1,072.57	1,075.15	1,064.88	1,050.28
<b>D</b>	<b>1,205.47</b>	<b>1,204.73</b>	<b>1,195.17</b>	<b>1,206.64</b>	<b>1,209.54</b>	<b>1,197.98</b>	<b>1,181.56</b>
E	1,473.35	1,472.45	1,460.76	1,474.48	1,478.33	1,464.20	1,444.13
F	1,741.25	1,740.17	1,726.36	1,742.93	1,747.12	1,730.42	1,706.70
G	2,009.12	2,007.89	1,991.95	2,011.07	2,015.90	1,996.64	1,969.27
H	2,410.94	2,409.46	2,390.34	2,413.28	2,419.08	2,395.96	2,363.12

being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. It is further noted that for the year 2014/15 the Cheshire Police and Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:



being satisfied that:

- (a) The total amount yielded by its Council Taxes for the said financial year will be sufficient, so far as is practicable, to provide for items mentioned at 3(a) to (c) above; and, to the extent that they are not, to be provided for by any other means.
  - (b) Those amounts which relate to a part only of its area will secure, so far as is practicable, that the precept or portion of a precept relating to such part will be provided for only by the amount yielded by such of its Council Taxes as relate to that part.
8. The Operational Director Finance be authorised at any time during the financial year 2014/15 to borrow on behalf of the Council by way of gross bank overdraft such sums as he shall deem necessary for the purposes of this paragraph, but not such that in any event the said overdraft at any time exceeds £10m (£0.5m net) as the Council may temporarily require.

**APPENDIX B****SAVINGS PROPOSALS  
COMMUNITIES DIRECTORATE**

<b>Service Area</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>
Community Services Division – Restructuring within Network/Day Services enabling the deletion of a vacant post.	47	-
Commissioning Division – Reduction in bed and breakfast costs.	50	-
Commissioning Division – An underspend of Supporting People grant has been accumulated over a number of years which can now be released as a one-off saving.	350	-350
Commissioning Division - Underspend on the Positive Behaviour Service contracts provided for other councils, through making one-off efficiencies whilst still delivering the full service required.	100	-100
Policy and Performance Team – Grant funding was provided to introduce a new performance system and some efficiencies have been made whilst the system was developed.	25	-25
Care Management Division – Reduction in the social work approved training budget. The total budget is £25,000 however only £5,000 has been required in the past two years.	10	-
Intermediate Care Division – Re-design and restructuring within Intermediate Care Services will generate a one-off saving without affecting the delivery of services.	150	-150
Care Management Division – Underspend on grant.	220	-220
Care Management Division – Redesign and restructuring of the Safeguarding Team will generate a one-off saving but with no impact upon the delivery of services.	90	-90
Care Management Division - One off saving from underspends in 2013/14 on budgets for which s256 health funding is used to maintain current eligibility criteria.	100	-100
Care Management Division - Contingency funding not required.	300	-300

<b>Service Area</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>
Area Forums - Reduction in the total budget allocated to Area Forums. Resulting allocations and previous allocations will be;	50	-
AF1 Broadheath, Ditton, Hough Green & Hale £97k (£106k)		
AF2 Appleton, Kingsway and Riverside £81k (£88k)		
AF3 Birchfield, Farnworth & Halton View £91k (£99k)		
AF4 Grange, Heath, Halton Brook & Mersey £116k (£127k)		
AF5 Norton North, Norton South, Halton Castle & Windmill Hill £100k (£109k)		
AF6 Halton Lea & Beechwood £45k (£49k)		
AF7 Daresbury £20k (£22k)		
School & Civic Catering - Increase of 10p in the School Meals price for paid meals, which have not been increased for the past two years.	100	-
School & Civic Catering - Balance of funding remaining from the implementation of the new Saffron catering management system, which is now available as a one off saving.	15	-15
	<hr/> 1,607	<hr/> -1,350
Approved by Council 10 <sup>th</sup> December 2013	3,225	-2,020
<b>TOTAL COMMUNITIES DIRECTORATE</b>	<hr/> <b>4,832</b>	<hr/> <b>-3,370</b>

**SAVINGS PROPOSALS  
CHILDREN AND ENTERPRISE DIRECTORATE**

<b>Service Area</b>	<b>2013/14 <del>2013/14</del> £'000</b>	<b>2014/15 <del>2014/15</del> £'000</b>
Reduction in group activities plus reduction in small grants allowance (£5,000). Agreement reached with Halton CCG to contribute to the funding of individual Health & Care packages (£43,000). Efficiencies in the group activity contract (£2,000).	50	-
Children's Centres - Withdrawing from a contract with All Saints Primary School, Runcorn for use of two rooms.	14	-
Learning & Achievement - Deletion of a vacant School Improvement Officer post.	65	-
Removal of the Graduate Leader budget (further to the £90,000 reduction included in the initial savings proposals).	100	-
Information Advice and Guidance - Re-shaping the provision for Information Advice and Guidance in the Borough.	220	-
Commissioning Support – Deletion of a vacant post.		
Building Maintenance - Reduction in the building maintenance budget for the Council's property portfolio to reflect the rationalisation of property assets.	25	-
	100	-
	<hr/>	<hr/>
	<b>574</b>	<b>-</b>
<b>Approved by Council 10th December 2013</b>	<hr/>	<hr/>
	<b>1,165</b>	<b>-355</b>
<b>TOTAL CHILDREN &amp; ENTERPRISE DIRECTORATE</b>	<hr/>	<hr/>
	<b>1,739</b>	<b>-355</b>



**SAVINGS PROPOSALS  
POLICY AND RESOURCES DIRECTORATE**

<b>Service Area</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>
Financial Management Division - Treasury Management - the current low level of interest rates available mean that external borrowing costs are lower than anticipated particularly in respect of Mersey Gateway.	200	-
Revenues, Benefits & Customer Services Division - Deletion of vacant posts within the Division.	50	-
Revenues, Benefits & Customer Services Division - Unspent balance of system implementation funding.	150	-150
Audit & Operational Finance Division, Insurance - A one-off saving from an anticipated underspend in insurance costs during 2013/14. The Council's insurance contract is currently being re-tendered therefore the saving cannot be made permanent at this stage.	100	-100
ICT Services - Reductions in various non-staffing budgets across the Department.	74	-
Democratic Services Division - Charging Academies for school appeal administration.	3	-
Environmental Health - Reduction in costs from returning the Trading Standards Service to in-house provision.	80	-
Logistics Division - Reductions in various non-staffing budgets across the Division and additional income from increased charges.	40	-
Logistics Division - Reduction in employer's national insurance and pension contributions from the introduction of the Salary Sacrifice Car Scheme.	20	-
Bridge and Highway Maintenance Division - Reduction in the cost of planned highway maintenance due to improved procurement arrangements.	100	-

<b>Service Area</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>
Brookvale Recreation Centre Boiler Replacement - Savings from renewable heat incentive (RHI) income and fuel cost reductions will be used to repay the investment and deliver a budget saving. Initially budget saving will be relatively small until the investment has been fully repaid in 3-4 years.	20	-
Income Generation - Provision of services to the Mersey Gateway Crossings Board. <ul style="list-style-type: none"> <li>• Financial Management Division (£7,000)</li> <li>• Audit &amp; Operational Finance Division (£7,000)</li> <li>• Human Resources (£4,000)</li> </ul>	18	-
Efficiency Programme - Target for savings to be identified from the various workstreams.	500	-
	1,355	-250
Approved by Council on 10 <sup>th</sup> December 2013	2,147	-464
<b>TOTAL POLICY &amp; RESOURCES DIRECTORATE</b>	<b>3,502</b>	<b>-714</b>
 <b>GRAND TOTAL</b>	<b>10,073</b>	<b>-4,439</b>

**APPENDIX C****DEPARTMENTAL BASE BUDGETS****£000****Children and Enterprise Directorate**

Children and Families Services	16,956
Children's Organisation and Provision	11,544
Learning and Achievement	7,460
Economy, Enterprise and Property	3,575
	<hr/>
	<b>39,535</b>

**Communities Directorate**

Commissioning and Complex Needs	14,229
Prevention and Assessment	28,199
Community and Environment	25,852
	<hr/>
	<b>68,280</b>

**Policy and Resources Directorate**

Finance	4,271
Policy, Planning and Transportation	16,224
ICT and Support Services	311
Legal and Democratic Services	934
Human Resources	-15
Public Health	1,440
	<hr/>
	<b>23,165</b>

**Departmental Base Budgets****130,980**

Corporate and Democracy	<hr/>
	-12,673

**Base Budget****118,307**

Less Savings	<hr/>
	- 10,073

**Total Budget****108,234**

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## APPENDIX D

### 2014/15 BUDGET – REASONS FOR CHANGE

	<b>£000</b>
2013/14 Approved Budget	115,114
Add back One-Off savings	2,541
	<hr/> 117,655
<u>Policy Decisions</u>	
Capital Programme	-914
<u>Inflation</u>	
Pay	676
Prices	1,392
Income	- 387
<u>Other</u>	
Waste Disposal Landfill Tax	267
Increments	402
Contingency	1,000
Other	89
Older Population	300
New Homes Bonus Grant	- 673
Cessation of Pension Early Retirement Payments	-1,000
Reduction in Equal Pay Reserve	-500
<b>Base Budget</b>	<hr/> <b>118,307</b>
Less Savings	- 10,073
<b>Total Budget</b>	<hr/> <b>108,234</b> <hr/>

**APPENDIX E****MEDIUM TERM FINANCIAL FORECAST**

	<b>2015/16 £000</b>	<b>2016/17 £000</b>
<b>Spending</b>		
Previous Year's Budget	108,234	98,071
Add back one-off savings	4,439	0
<u>Policy Decisions</u>		
Capital Programme	35	-320
<u>Inflation</u>		
Pay	694	705
Prices	1,458	1,509
Income	-386	-394
<u>Other</u>		
Older Population	300	300
Superannuation	250	250
Increments etc	500	500
Contingency	2,500	2,500
Scope – De-Registering Properties	700	700
Single Tier State Pension	0	1,300
Education Services Grant Reduction	450	0
Discretionary Support Scheme Grant Reduction	600	0
Budget Forecast	119,774	105,121
<b>Resources</b>		
Previous Years Resources:		
Start-Up Funding	71,216	60,970
Council Tax	37,101	37,101
Cessation of 2011/12 Council Tax Freeze	0	-1,086
Reduction in Start-Up Funding	-10,246	-6,097
	98,071	90,888
<b>Funding Gap</b>	<b>21,703</b>	<b>14,233</b>

**APPENDIX F**

**COMMITTED CAPITAL PROGRAMME 2014-17**

<b>SCHEME</b>	<b>2014-15 £000</b>	<b>2015-16 £000</b>	<b>2016-17 £000</b>
Basic Need Projects	602	892	936
Infant Free School Meals – Kitchen Upgrades	241		
SciTech – Daresbury	11,223		
Disabled Access	300	300	300
<b>Children and Enterprise Directorate</b>	<b>12,366</b>	<b>1,192</b>	<b>1,236</b>
IT Rolling Programme	1,100	1,100	1,100
Highways Capital Maintenance	2,003		
Integrated Transport	1,020		
Street Lighting	200	200	200
Daresbury Expressway	589		
Fleet Replacements	300	300	
Mid-Mersey Local Sustainable Transport	270		
Risk Management	120	120	120
Mersey Gateway Land Acquisition	10,584	2,712	1,251
Mersey Gateway Development Costs	3,289	2,909	2,924
Mersey Gateway Construction Costs			70,000
Silver Jubilee Bridge – Major Maintenance	2,029	4,990	
<b>Policy and Resources Directorate</b>	<b>21,504</b>	<b>12,331</b>	<b>75,595</b>
Stadium Minor Works	30	30	30
Children’s Playground Equipment	65	65	65
Landfill Tax Credit Schemes	340	340	340
Runcorn Hill Park	250	250	
Litter Bins	20	20	20
Disabled Facilities	665	787	
Community Capacity	351		
Better Care Fund		356	
<b>Communities Directorate</b>	<b>1,721</b>	<b>1,848</b>	<b>455</b>
<b>Total</b>	<b>35,591</b>	<b>15,371</b>	<b>77,286</b>
<b>Slippage between years</b>	<b>+ 13,185</b>	<b>+ 7,118</b>	<b>+ 3,074</b>
	<b>- 7,118</b>	<b>- 3,074</b>	<b>- 15,457</b>
<b>GRAND TOTAL</b>	<b>41,658</b>	<b>19,415</b>	<b>64,903</b>