

REPORT TO: Executive Board

DATE: 1st October 2015

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: Initial Budget Proposals 2016/17

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council initial revenue budget proposals for 2016/17.

2.0 RECOMMENDED: That Council approve the initial budget proposals for 2016/17 set out in Appendix 1.

3.0 SUPPORTING INFORMATION

3.1 The Medium Term Financial Strategy (MTFS) forecasts potential revenue budget funding gaps for the Council, of approximately £16m in 2016/17 and £9m in 2017/18.

3.2 Budget saving proposals for 2016/17 are currently being developed by the Budget Working Group.

3.3 The first set of these proposals is listed in Appendix 1. It is proposed to implement these immediately in order to also achieve a part-year saving in 2015/16, 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 with ensuring they are fully implemented by 1st April 2016. Appendix 1 also presents the impact in 2017/18 of certain of the savings proposals

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

	2016/17 £m	2017/18 £m	Total £m
Forecast Budget Gaps as per MTFS	16.0	9.0	25.0
Less Initial Budget Savings Proposals;			
Community & Resources Directorate	-3.8	+0.9	-2.9
People & Economy Directorate	-4.0	+3.0	-1.0
Remaining Forecast Budget Gaps	8.2	12.9	21.1

3.5 The Government will announce its Grant Settlement for Local Government in late December, at which point the Council's actual budget gap for 2016/17 will be identified, along with indications for 2017/18 and 2018/19.

3.6 A second set of budget saving proposals is currently being developed by the Budget Working Group, which will be recommended to Council on 9th December 2015. Further saving proposals to enable the Council to deliver a balanced budget for 2016/17, will then be recommended to Council on 2nd March 2016.

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 which 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 None.

APPENDIX 1

	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)
				2016/17 £'000	2017/18 £'000		
COMMUNITY & RESOURCES DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
1	Community & Environment	Review charges and staffing at Stadium Fitness.	Income 294 Staffing 190	20	0	P	D
2	Community & Environment	Community Centres - Continue to improve efficiencies and increase income – this year has seen an improvement in the operating costs of this service area, further work is needed to continue this improvement.	205	25	0	P	D
3	Community & Environment	Select Security Stadium – additional income from increasing the rent for major tenants above inflation.	146	60	0	P	D
4	Community & Environment	Registration Services – additional income from increasing charges above the rate of inflation.	7	10	0	P	D

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5	Finance Dept/ Audit & Op Finance Division	Schools Forum contribution towards the cost of Internal Audit services provided for schools. A similar contribution was provided for 2015/16.	20	20	-20	T	M
6	Finance Dept/ Audit & Op Finance Division	Increased income to be generated from having further suppliers sign up to the Invoice Early Payment Scheme.	30	5	0	P	D
7	Finance Dept/ Audit & Op Finance Division	Recovery of credit notes from a review of supplier accounts. The review has already recovered £100,000 relating to previous years as a one-off saving. A target of £10,000 will also be set for on-going annual reviews.	n/a	10	0	P	D
			n/a	100	-100	T	D
8	Finance Dept/ Audit & Op Finance Division	Income from increasing the charges to clients for the provision of the Appointeeship Scheme from £6 to £7 per week. The new charge will still remain comparable with those of other North West councils.	76	15	0	P	D

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9	Finance Dept/ Audit & Op Finance Division	Increased income from schools buying back the Finance Department SLA.	227	5	0	P	D
10	Finance Dept/ Audit & Op Finance Division	Income recovered by Direct Payment audits to be utilised to fund the Direct Payments Team, with any balance returned to the Community Care budget.	151	151	0	P	D
11	ICT & Supp Dept/ ICT Services	Additional income to be generated from provision of ICT services to external partners.	1,400	100	0	P	D
12	Legal & Dem Services Dept/ Legal Services	Additional income to be generated from SLAs with schools for the provision of legal services.	54	10	0	P	D
SHARED / COLLABORATIVE SERVICES							
13	PPT Dept/ Policy & Dev Div	Operational saving from a shared service arrangement with Knowsley MBC for the provision of Building Control Services.	n/a	6	-6	T	D

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PROCUREMENT OPPORTUNITIES							
14	Finance Dept/ Audit & Op Finance Division	Restructuring and retendering of insurance policies in accordance with the risk and insurance strategy	1,041	125	0	P	D
15	Finance Dept/ Audit & Op Finance Division	Reduced support and maintenance costs arising from the renewal of cash collection kiosks.	14	7	0	P	D
16	Community & Environment	Reduction in the cost of the contract for bar provisions.	175	10	0	P	D
EFFICIENCY OPPORTUNITIES							
17	Finance Dept/ Audit & Op Finance Division	Voluntary reductions in hours agreed for three staff within the Audit and Operational Finance Division.	74	14	0	P	D
18	Finance Dept/ Procurement Div	Deletion of two vacant HBC5 Contract Officer posts within the Procurement Division.	56	56	0	P	D
19	HR/EPO/Policy	Management restructuring to bring together HR, Learning & Development, Efficiency Programme Office and P&R Policy and Performance into one Division.	2,300	216	0	P	D

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20	ICT & Supp Dept/ ICT and Support Svcs Divisions	Organisational restructuring within ICT and Support Services Department.	5,382	100	0	P	D
21	ICT & Supp Dept/ Support Services Division	Reduction in various non-staffing budgets relating to Councilwide purchases of stationery, printing, postages, furniture, equipment etc.	600	100	0	P	D
22	Public Protection	Utilising previous years' underspends to provide a one-off saving for 2016/17.	724	500	-500	T	M
23	Legal & Dem Services Dept/ Legal Services	Reduction in the Legal Services books and publications budget.	15	10	0	P	D
24	Legal & Dem Services Dept/ Customer Intelligence Unit	Delete a vacant HBC6 Research Officer post within the Customer Intelligence Unit.	32	32	0	P	D
25	Legal & Dem Services Dept/ Customer Intelligence Unit	Cease the external contract for website design as now undertaken in-house.	20	20	0	P	M

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26	Legal & Dem Services Dept/ Comms & Mktg	Balance of a previous year's part-year saving item within Communications & Marketing.	6	6	0	P	D
27	Legal & Dem Services Dept/ Civic Activities	Reduction in Civic Activities hospitality budget.	10	4	0	P	D
28	PPT Dept/ Traffic Division	Cease the external decorative lighting on the Silver Jubilee Bridge.	25	25	0	P	D
29	Community & Environment	Review of Leisure Centres.	1,670	250	0	P	D
30	Community & Environment	Brindley - continue with recent improved efficiency savings and maximise income streams.	157	50	0	P	D
31	Community & Environment	Waste – introduce a Food Waste Collection Service to deliver savings by diverting food waste from land fill. This will require invest to save funding in order to use an alternative waste treatment facility.	1,799	100	0	P	D

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OTHER BUDGET SAVINGS							
32	Finance Dept/ Financial Mgt Div	Reduction in the capital financing budget given exceptional low borrowing cost rates, returns on investments and capital programme requirements.	2,970	650	0	P	D
33	Finance Dept / Revs, Bens & Customer Svcs Division	One-off saving from unspent New Burdens transitional grant funding provided for changes to business rates, council tax and benefit arrangements, which have instead been implemented utilising existing staff resources.	200	200	-200	T	D
34	Finance Dept/ Financial Mgt Division	Deletion of the budget for technical consultancy support for Asset 4000 computer system.	5	5	0	P	D
35	Community & Environment	The specification for environmental maintenance will be reduced and re-written and the Open Spaces service will be restructured.	2,953	200	0	P	D
36	Community & Environment	Deletion of a vacant Arts Development Officer post.	84	50	0	P	D

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37	Community & Environment	There has historically been a significant underspend each year against the total Area Forum budget. It is proposed to reduce the funding but this would still allow Area Forums to support community projects within individual wards.	550	150	0	P	D
38	Community & Environment	Review the Councils reward and incentive scheme for Waste Recycling	123	80	0	P	D
39	Community & Environment	Restructure the Community Development Team with the deletion of two vacant part-time posts.	176	20	0	P	D
40	Community & Environment	Reduce the Council's grant to Norton Priory Museum Trust and the Council provides some professional advice and assistance to market the services.	222	50	0	P	D
41	Community & Environment	Review Civic and Café catering provision in order to bring about a number of efficiency and income improvements.	20	20	0	P	D

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42	PPT Dept/ Logistics Division/ Transport Co-ord	Reduction of 5% in the funding provided for bus support. This will have a direct impact upon supported bus services and thereby the LTP stated priority of public transport provision and the MG Sustainable Transport Strategy.	560	28	0	P	D
43	PPT Dept/ Traffic Division	Reduction in street lighting energy and maintenance costs, through introduction of LED light bulbs.	1,383	100	0	P	D
44	PPT Dept/ Traffic Division	Release of a one-off reserve held in relation to previous years undercharge for street lighting electricity charges, which is now time expired.	100	100	-100	T	D
45	Subscriptions	Cease the Council's LGIU subscription.	12	12	0	P	D
TOTAL PERMANENT				2,901	0	P	
TOTAL TEMPORARY (ONE-OFF)				926	-926	T	
GRAND TOTAL				3,827	-926		

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PEOPLE AND ECONOMY DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
1	Economy Enterprise & Property	To charge a levy for providing funding advice to external organisations	11	5	0	P	D
2	Economy Enterprise & Property	To charge a levy for providing business advice on business support projects	n/a	5	0	P	D
3	Education Inclusion and Provision	School and Setting Improvement Officers – generation of income from selling school improvement services to academies.	n/a	3	0	P	D
4	Children's Social Care: Early Intervention	Increase charging for activities in children's centres provided by commissioned service for Music and Movement increase from £1 to £2 – aim for this service to be fully self-sufficient via charging	9	7	0	P	M

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5	Commissioning & Complex Needs	Income from charging Adults with a Learning Disability in Supported Accommodation who have never been charged under preserved rights.	N/A	50	0	P	D
6	Commissioning & Complex Needs	Income from initially a one-year contract for the delivery of the Positive Behaviour Support Service for Cheshire East and Sefton councils.	244	100	-100	T	D
7	Commissioning & Complex Needs	Income from initially a one year contract with Riverside College for providing placements within Community Day Services based at Simms Cross.	N/A	40	-40	T	D
8	Prevention & Assessment	Undertake a review of Intermediate Care for Warrington Borough Council.	N/A	4	-4	T	D
SHARED / COLLABORATIVE SERVICES							
9	Communities	Deletion of Strategic Director post.	143	143	0	P	D

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10	Commissioning & Complex Needs	Contribution from the DCLG Transitional Challenge Fund for the provision of a Strategic Commissioning Manager across the Liverpool City Region.	70	70	-70	T	D
11	Prevention & Assessment	Contribution from Sefton Council for provision of a Supporting People Development Manager.	46	46	-46	T	D
12	Prevention & Assessment	Contribution from Sefton Council for provision of a Divisional Manager, Mental Health Services.	74	35	-35	T	D
EFFICIENCY OPPORTUNITIES							
13	Commissioning & Complex Needs	Reduction in cost of the YMCA contract.	275	133	0	P	D
14	Commissioning & Complex Needs	Supporting People efficiencies.	300	300	-300	T	D
15	Prevention & Assessment	Cease use of the ADL Smartcare computer software, resulting in an annual software licence cost saving.	15	15	0	P	D

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16	Prevention and Assessment	Review premium pay for Community Warden Service in line with other direct care services.	36	22	0	P	D
17	Commissioning & Complex needs	Delete the vacant Representations post.	50	50	0	P	D
18	Economy Enterprise & Property	Property Services Restructure	227	60	0	P	D/M
19	Economy Enterprise & Property	Reduce Markets Promotions Budget	30	20	0	P	D
20	Education Inclusion and Provision: 14-19 Division	Delete the vacant Young People Caseworker post from the Participation Strategy structure.	248	34	0	P	M
21	Education Inclusion and Provision: Policy Provision & Performance Division	Reduction in Supplies and Services budget within Transforming Children's Environment.	37	37	0	P	D

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22	Education Inclusion and Provision: Policy Provision & Performance Division	Reduction Supplies and Services budget for Childcare Sustainability.	5	5	0	P	D
23	Education Inclusion and Provision: Policy Provision & Performance Division	Management Restructure and reduction in post (Play Resource Team)	133	50	0	P	M
24	Education Inclusion and Provision: Policy Provision & Performance Division	Reduction in Professional Fees Budget	28	18	0	P	D
25	Education Inclusion and Provision: Policy Provision & Performance Division	Management restructure – reduction in post (HBC9) within Policy & Performance Team	349	46	0	P	D

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				2016/17 £'000	2017/18 £'000		
26	Education Inclusion and Provision: Education	Reduction in allocation for training and statutory school improvement intervention	113	40	0	P	M
27	Education Inclusion and Provision: Inclusion 0-25 Transition	Reduction in advertising budget relating to Transition, as now funded by Dedicated Schools Grant.	10	2	0	P	D
28	Education Inclusion and Provision: Cognition and Learning	Reduction in the supplies and services budget for Cognition and Learning.	5	3	0	P	D
29	Education Inclusion and Provision: Autistic Spectrum Disorder	Reduction in the external training budget for Communication and Language.	7	5	0	P	D

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30	Education Inclusion and Provision: Special Education Needs	Reduction in the supplies and services budget for the Parent Partnership for children with SEN.	4	2	0	P	D
31	Education Inclusion and Provision: Educational Welfare	Reduction in the supplies and services budget relating to training and development for the Education Welfare Service.	10	5	0	P	M
OTHER BUDGET SAVINGS							
32	Economy Enterprise & Property	To reduce the matching funding available for Halton's European Projects and reduce the number of bids	n/a	125	-125	T	D
33	Child Protection Unit	EVR - Deletion of Divisional Manager (Safeguarding) post	80	30	0	P	M

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				2016/17 £'000	2017/18 £'000		
34	Children's Social Care: Children's Centres	<p>Review services commissioned – increase other agencies contribution and generate income</p> <ul style="list-style-type: none"> - Adult Learning – reduce services provided in centres as can still access other provision within Borough - Fit4Safety (home safety equipment) Cheshire Fire & Rescue – proposal to transfer costs to Health Improvement Team/Public Health. - Physical Activity Play in Children's Centre – contract terminated because of performance 	103	12	0	P	M
			8	8	0	P	M
			11	11	0	P	M
35	Commissioning & Complex Needs	One-off saving from the release of the un-committed balance of funding set aside for implementation of the Care Financials computer system.	370	300	-300	T	D
36	Commissioning & Complex Needs	Reductions in the Social Worker and Surestart training budgets.	127	68	0	P	D
37	Prevention & Assessment	One-off contribution from Complex Care Pooled budget funding under the Section 256 agreement with NHS.	2,979	1,600	-1,600	T	M

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38	Prevention & Assessment	One-off savings achieved as part of the implementation of the Care Act.	997	183	-183	T	M
39	Prevention and Assessment	Review all voluntary sector contracts, including adult social care and voluntary grants.	700	70	0	P	M/D
40	Prevention and Assessment	Deletion of a vacant Commissioning post.	50	50	0	P	D
41	Communities	One-off reduction in bad debt provisions to align with the levels of outstanding debts.	711	200	-200	T	M
TOTAL PERMANENT				1,009	0	P	
TOTAL TEMPORARY (ONE-OFF)				3,003	-3,003	T	
GRAND TOTAL				4,012	-3,003		