

REPORT TO: Executive Board
DATE: 11 February 2016
REPORTING OFFICER: Operational Director – Finance
SUBJECT: Budget 2016/17
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 2016/17.
- 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 Council be recommended to adopt the resolution set out in Appendix A, which includes setting the budget at £98.465m, the Council Tax requirement of £41.217m (before Parish, Police and Fire precepts) and the Band D Council Tax for Halton of £1,250.97.

3.0 SUPPORTING INFORMATION

Medium Term Financial Strategy

- 3.1 The Executive Board approved the Medium Term Financial Strategy (MTFS) at its meeting on 10 December 2015. In summary, funding gaps of around £18m in 2016/17, £16m in 2017/18 and £7m in 2018/19 were 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 essential front line services
 - 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 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 proposals and equality impact assessments will be completed where necessary.

Review of the 2015/16 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, despite continued significant pressure in respect of children in care costs. It is anticipated that general reserve balances at 31 March 2016 will be around £5.8m, broadly as planned when the budget was set last year, this is after having used £3m of general reserves in balancing the budget for 2015/16.

2016/17 Budget

- 3.5 On 14 October 2015 and 09 December 2015 Council approved initial budget savings for 2016/17 totalling £11.5m and further proposed savings are shown in Appendix B.
- 3.6 The proposed budget totals £98.465m. 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.
- 3.7 The proposed budget incorporates the grant figures announced in the Provisional Grant Settlement. It includes £0.5m for the New Homes Bonus 2016/17 grant, which is payable to local authorities based upon the net increase in the number of homes in their area.
- 3.8 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.
- 3.9 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 2016/17 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

- 3.10 The Government announced on ?? February 2016 the Final Local Government Finance Settlement for 2016/17, this was in line with the Provisional Settlement announced on 17 December 2015.
- 3.11 From 1st April 2013 the Local Government funding regime changed significantly with the introduction of the Business Rates Retention Scheme. Under the Scheme 49% of business rates generated within the Borough is retained. The Council also receives a Top-Up grant, as the amount of business rates it retains is estimated to be lower than its spending needs. In addition, the Council receives Revenue Support grant.
- 3.12 The Government also confirmed that by 2019/20 the Business Rates Retention Scheme will be altered, such that councils will then retain 100% of the business rates they generate. However, over the same period Revenue Support Grant will cease to be provided in its current form.
- 3.13 For 2016/17 Halton's total Government Settlement Funding Allocation will be £55.29m. This is made up of £33.04m Business Rates Baseline Funding (including Top-Up grant of £7.51m) and £22.25m Revenue Support grant. In total the Settlement Funding Allocation has reduced by £6.53m or 10.6% from the 2015/16 adjusted level.
- 3.14 The 2015 Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care will be given an additional 2% flexibility on their current council tax referendum threshold, to be used towards the funding shortfall for adult social care. This is being offered in recognition of increased pressure on Council budgets due to adult social care demographic changes and cost increases such as the National Living Wage.
- 3.15 As far as non-domestic premises are concerned, the rate is fixed centrally by the Government. For 2016/17 the rate has been set at 49.7p in the pound and 48.4p in the pound for small businesses, which are both increases of 0.8%.

Budget Outlook

- 3.16 As part of the Local Government Provisional Finance Settlement for 2016/17 Government published indicative Settlement Funding Allocations for the following three years, up to 2019/20. They have also published a consultation on the future of the New Homes Bonus grant (NHB) which looks to reduce the number of years NHB grant is paid

over from six to four years. The Medium Term Financial Forecast has been updated to take account of the Provisional Finance Settlement and the latest forecast is shown in Appendix E.

- 3.17 Government are proposing to offer any Council that wishes to take it up a four year funding settlement to 2019/20. They see this as a way of providing funding certainty and stability to local authorities, together with strengthening financial management and efficiency. Government will expect local authorities to produce an efficiency plan should they decide to accept the offer. At the time of preparing this report the details of what the offer would include and what is expected of an efficiency plan are still to be published by Government.
- 3.18 The resultant funding gap over the subsequent three financial years (2017/18 to 2019/20) is forecast to be in the region of £34m. 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.
 - Continuing to seek improved 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.
 - Ceasing to deliver certain lower priority services.
- 3.19 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 into the Borough.

Halton's Council Tax

- 3.20 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.
- 3.21 The Government have confirmed the council tax referendum threshold at 4% for 2016/17, this includes the additional 2% precept for adult social care costs mentioned in para 3.14.
- 3.22 The tax base (Band D equivalent) for the Borough has been set by Council at 32,948.

- 3.23 The combined effect of the budget proposals presented within this report, Government grant support and the council tax base, requires the Council to set a Band D council tax for Halton of £1,250.97 (equivalent to £24.06 per week), in order to deliver a balanced budget for 2016/17 as required by statute. This is an increase of 3.9% (£46.96 per annum or 90p per week) over the current year.

Parish Precepts

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

	Precept	Precept Increase		Additional Council Tax	Basic Council Tax
	£	£	%	£	£
Hale	26,131	10,131	63.3%	39.65	1,290.62
Daresbury	?,???	???	?.%	??.??	?,???.??
Moore	4,498	82	1.9%	13.80	1,264.77
Preston Brook	9,150	650	7.6%	27.23	1,278.20
Halebank	15,350	1,725	12.7%	30.76	1,281.73
Sandymoor	24,556	8,990	57.8%	25.42	1,276.39

Average Council Tax

- 3.25 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 £?,???.??, an increase of £???.?? per annum.

Police Precept

- 3.26 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

- 3.27 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

- 3.28 Combining all these figures will give the Total Council Tax for 2016/17 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 ?.??%.
- 3.29 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.
- 3.30 A complex set of resolutions, shown in Appendix A, needs to be agreed by Council 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

- 3.31 The following table brings together the existing capital programme spend and shows how the capital programme will be funded.

	2016/17	2017/18	2018/19
	£000	£000	£000
<u>Spending</u>			
Scheme estimates	105,146	56,986	6,916
Slippage between years (after excluding MG costs)	+ 9,598	+ 7,029	+ 4,897
	- 7,029	- 4,897	- 1,383
	<u>107,715</u>	<u>59,118</u>	<u>10,430</u>
<u>Funding</u>			
Borrowing and Leasing	87,613	49,995	4,705
Grants and External Funds	12,173	5,625	3,733
Direct Revenue Finance	551	69	0
Invest to Save	115	0	0
Capital Receipts	7,263	3,429	1,992
	<u>107,715</u>	<u>59,118</u>	<u>10,430</u>

- 3.32 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.

- 3.33 The Department for Health has confirmed the Social Care Capital Grant will not continue from 2016/17 onwards but the value of the grant should be covered by the expansion of the Disabled Facilities Grant. This could potentially restrict the freedom to how these funds are spent, further details are still awaited confirming the value and conditions of the grant from 2016/17.
- 3.34 As the Capital Programme is fully committed, there are no funds available for new capital schemes unless external funding is available or further savings are identified to cover financing costs.

Prudential Code

- 3.35 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.
- 3.36 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 monitoring reports to the Executive Board.

School Budgets

- 3.37 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 2016, which is primarily based on pupil numbers.
- 3.38 The Government have announced Unit of Funding allocations split between blocks. For Halton the per pupil Unit of Funding for the Schools Block is £4,863.77, 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 £14,498,539. Schools will be informed of their funding allocation for Schools Block funding by 28th February 2016 in accordance with the Halton Schools Financing Scheme. Early Years and High Needs funding will be notified to relevant schools during March 2016. The Minimum Funding Guarantee has been set so that the maximum reduction for schools is 1.5%.

- 3.39 The Pupil Premium has been set at £1,320 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. Children who have been adopted from care and children who leave care under a special guardianship order or residence order will be funded at £1,900 per pupil. Eligibility for the Service Children Premium will be funded at £300 per pupil. No information has been provided yet with regard to Looked After Children. The Pupil Premium will be added to school budgets on top of the Minimum Funding Guarantee.
- 3.40 The allocation of DSG funding to schools for 2016/17 will be via the schools funding formula, which has been approved by the Schools Forum following consultation with schools and the Department for Education.

4.0 POLICY IMPLICATIONS

- 4.1 The Council's budget will support the delivery of all of the Council's services.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The financial implications relating to the Council's budget are as set out within the report and appendices.

6.0 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.

- 6.1 **Children and Young People in Halton**
- 6.2 **Employment, Learning and Skills in Halton**
- 6.3 **A Healthy Halton**
- 6.4 **A Safer Halton**
- 6.5 **Halton's Urban Renewal**

7.0 RISK ANALYSIS

7.1 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.

7.2 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 the Reserves and Balances strategy should help mitigate the risk.

8.0 EQUALITY AND DIVERSITY ISSUES

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

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

Document	Place of Inspection	Contact Officer
Local Government Finance Report (England) 2016/17	Financial Management Kingsway House	Steve Baker

10.0 REASON FOR THE DECISION

10.1 To seek approval for the Council's revenue budget, capital programme and council tax for 2016/17.

11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11.1 In arriving at the budget saving proposals set out in Appendix B, numerous proposals have been considered, some of which have been deferred pending further information or rejected.

12.0 IMPLEMENTATION DATE

12.1 2nd March 2016.

**DRAFT RESOLUTION FOR SUBMISSION TO THE COUNCIL
AT ITS MEETING ON 02 MARCH 2016**

RECOMMENDATION: that the Council adopt the following resolution:

1. The policies outlined in this paper be adopted, including the Budget for 2016/17, 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 09 December 2015 the Council agreed the following:
 - (a) The Council Tax Base 2016/17 for the whole Council area is 32,948 (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	659
Daresbury	159
Moore	326
Preston Brook	336
Halebank	499
Sandymoor	966

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 2016/17 (excluding Parish precepts) is £41,216,960.
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 2016/17 and agreed as follows:
 - (a) £304,971,357 (parish precepts to be added) – 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) £263,754,397– being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £41,216,960 (parish precepts to be added) – 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) £?,???.??– 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) £??,???.??– 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	26,131
Daresbury	?
Moore	4,498
Preston Brook	9,150
Halebank	15,350
Sandymoor	24,556

- (f) £1,250.97 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	1,290.62
Daresbury	?
Moore	1,264.77
Preston Brook	1,278.20
Halebank	1,281.73
Sandymoor	1,276.39

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	860.42	?	843.18	852.13	854.49	850.93	833.98
B	1,003.82	?	983.71	994.16	996.90	992.75	972.98
C	1,147.22	?	1,124.24	1,136.18	1,139.32	1,134.57	1,111.97
D	1,290.62	?	1,264.77	1,278.20	1,281.73	1,276.39	1,250.97
E	1,577.43	?	1,545.83	1,562.25	1,566.56	1,560.03	1,528.96
F	1,864.23	?	1,826.89	1,846.29	1,851.39	1,843.67	1,806.96
G	2,151.04	?	2,107.95	2,130.34	2,136.22	2,127.32	2,084.95
H	2,581.25	?	2,529.54	2,556.40	2,563.46	2,552.78	2,501.94

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 2016/17 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 4(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 2016/17 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**

	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		
PEOPLE & ECONOMY DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
1	Prevention & Assessment Dept	Proposed increase in transport charges by £1.40 per journey to £3.00 from the current £1.60, subject to consultation.	74	70	0	P	D
2	Economy, Enterprise & Property Dept	Charge a one-off management fee to the Sci-Tech Daresbury Joint Venture, as the Enterprise Zone retained business rates have exceeded forecasts. This will be used to reimburse Council officer time in respect of Regeneration, Property, Legal, Finance etc.	n/a	100	-100	T	D
3	Economy, Enterprise & Property Dept	Increase industrial and commercial property rents (including markets) by 1% over and above normal annual 2% inflationary increase.	2,000	20	0	P	D
EFFICIENCY OPPORTUNITIES							
4	Prevention & Assessment Dept	Deletion of a vacant 0.4fte Adult Mental Health Practice Manager HBC10 post.	50	20	0	P	M

	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		
5	Commissioning & Complex Care Dept/ Community Services	Efficiency review of the Halton Supported Housing Network.	1,773	83	0	P	D
6	Children's Organisation & Provision Dept/ 0-25 Inclusion Div	Restructuring the Special Education Needs Team with the deletion of a vacant Special Education Needs Assessment post.	135	40	0	P	M
7	Children's Organisation & Provision Dept	The Policy Provision & Performance and 14-19 Divisions have been combined and as a result it is proposed to delete a vacant Information Advice & Guidance post.	112	40	0	P	M
8	Children & Families Dept	Restructuring within the Children and Families Department resulting in the deletion of a vacant Principle Team Manager post.	155	32	0	P	M
SHARED / COLLABORATIVE SERVICES							
9	Prevention & Assessment Dept	Shared arrangement for 12 months for a Practice Manager post (Clinical lead nurse) to work collaboratively with Halton CCG.	20	20	-20	T	M

	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		
OTHER BUDGET SAVINGS							
10	Prevention & Assessment Dept	Deletion of the residual training budget for Induction Adults in the Learning Disability Team, which is no longer required following a transfer of staff from the PCT to HBC.	20	20	0	P	D
11	Prevention & Assessment Dept	Service efficiencies (eg. additional winter pressures funding) achieved during 2015/16 which have been managed in order to provide a one-off budget saving for 2016/17.	263	263	-263	T	D
12	Children's Organisation & Provision Dept	Reduction in various specialist commissioned services budgets and a one-off saving achieved from efficiencies in 2015/16.	805	90 80	0 -80	P T	D D
13	Children's Organisation & Provision Dept	One-off performance saving relating to a school project.	200	200	-200	T	D
TOTAL PERMANENT				415	0	P	
TOTAL TEMPORARY (ONE-OFF)				663	-663	T	
GRAND TOTAL				1,078	-663		

	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	Finance Dept/ Audit & Op Finance Div	Introduction of an SLA to provide Balance of Risks insurance cover for schools.	n/a	50	0	P	D
2	Finance Dept/ Audit & Op Finance Div	Providing a Financial Support SLA on a one year agreement initially to the National Consortium for Examination Results.	n/a	10	-10	T	D
PROCUREMENT OPPORTUNITIES							
3	Community & Environment Dept / Catering Svcs	Saving from the re-procurement of food provisions contracts.	683	60	0	P	D
EFFICIENCY OPPORTUNITIES							
4	Community & Environment Dept	Staffing restructure within the Select Security Stadium and Catering Services with the resulting deletion of vacant posts.	344	65	0	P	D

	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		
5	Finance Dept / Procurement Div	Temporary restructuring within the Procurement Division resulting in a one-off saving.	583	28	-28	T	D
6	ICT & Support Services Dept	Introduction of the ICT Apprenticeship Scheme.	n/a	60	0	T (2 years)	D
7	ICT & support Services Dept	Further balance of budget savings from the original £100,000 estimate included for the ICT & Support Department staffing restructure approved in the first set of 2016/17 savings.	5,282	70	0	P	D
8	Legal & Democratic Svcs Dept / Democratic Services Div	Deletion of a vacant post within the Democratic Services Division.	207	38	0	P	M
9	Public Protection Dept / Regulatory Services Div	Deletion of a vacant Environmental Technician post.	287	26	0	P	D
10	Finance Dept / Audit & Op Finance Div	Deletion of a vacant HBC7 post within the Audit and Operational Finance Division.	277	36	0	P	D
11	Finance Dept / Financial Management Div	Deletion of a vacant HBC4/6 post within the Financial Management Division.	1,275	32	0	P	D

	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		
SHARED / COLLABORATIVE SERVICES							
12	Policy, People, Performance & Efficiency	Reduction in union representative costs from undertaking a regional role for 1 day per week, for one year initially.	183	10	-10	T	D
OTHER BUDGET SAVINGS							
13	Finance Dept / Capital Financing	Revision to the Minimum Revenue Provision Policy in order to lengthen the period over which capital assets are written down within the accounts, to closer match the life of those assets. A further increase to the £520,000 saving included in the 2 nd set.	1,786	300	0	P	D
14	Finance Dept / Halton Direct Link	Cease provision of staff uniforms within Halton Direct Link, as only a proportion of staff based within the HDL shops now have uniforms.	5	5	0	P	D
15	Legal & Democratic Svcs Dept	Full year effect of various previous year staff savings and an in-year underspend to be used as a one-off saving.	866	22 5	0 -5	P T	M M
16	Legal & Democratic Svcs Dept / Customer Intelligence Unit	Cease the contract for external maintenance of the Council's website as it will now be undertaken in-house.	10	10	0	P	D

	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		
17	Policy Planning & Transportation Dept / Fleet Management	Revenue savings from the reduction of two operational refuse collection vehicles, inclusive of vehicle operating costs.	1,435	100	0	P	M
18	Policy Planning & Transport Dept / Logistics Division	Realignment of the business rates budget for Lowerhouse Lane Depot to reflect the actual charge.	47	10	0	P	D
19	Policy Planning & Transport Dept / Highway Maintenance	Reduction in the highway maintenance budget.	2,281	50	0	P	M
20	Council Wide	Staff Terms and Conditions – Continuation for next three years of 4 days unpaid leave for all staff.	n/a	750	0	T	n/a
TOTAL PERMANENT				1,624	0	P	
TOTAL TEMPORARY (ONE-OFF)				113	-53	T	
GRAND TOTAL				1,737	-53		

APPENDIX C

DEPARTMENTAL BASE BUDGETS

£000

People & Economy Directorate

Children and Families Service	20,415
Education, Inclusion & Provision	14,429
Economy, Enterprise and Property	3,102
Commissioning and Complex Care	11,653
Adult Social Care & Prevention and Assessment	25,179
	<hr/>
	74,778

Community & Resources Directorate

Finance	4,249
Policy, Planning & Transportation	16,103
ICT & Support Services	48
Legal & Democratic Services	424
Policy, People, Performance & Efficiency	-567
Public Protection	551
Community and Environment	22,812
	<hr/>
	43,620

Departmental Base Budgets

118,398

Corporate and Democracy

-17,118

Base Budget

101,280

Less Set 3 Savings

-2,815

Total Budget

98,465

APPENDIX D

2016/17 BUDGET – REASONS FOR CHANGE

	£000
2015/16 Approved Budget	101,452
Add back One-Off savings	8,759
	<hr/> 110,211
<u>Policy Decisions</u>	
Capital Programme	-261
<u>Inflation</u>	
Pay (including NI adjustments due to Single Tier State Pension)	1,678
Prices	575
Income	-388
<u>Other</u>	
Increments	290
Contingency	1,000
Increase to New Homes Bonus Grant	591
Reduction in Pension Actuarial Payments	-916
Base Budget	<hr/> 112,780
Less Savings	-14,315
Total 2016/17 Budget	<hr/> 98,465 <hr/>

APPENDIX E

MEDIUM TERM FINANCIAL FORECAST

	2017/18 £000	2018/19 £000	2019/20 £000
Spending			
Previous Year's Budget	98,465	91,867	88,836
Add back one-off savings	5,983	0	
<u>Policy Decisions</u>			
Capital Programme	-370	0	0
<u>Inflation</u>			
Pay	973	985	997
Prices	961	1,253	1,253
Income	-511	-521	-521
<u>Other</u>			
Increments etc	300	300	300
Contingency	1,000	1,500	2,000
Children in Care	210	290	0
National Living Wage – Ext Service Providers	500	500	500
National Living Wage – Direct HBC Staff Cost	173	156	150
Apprenticeship Levy	300	0	0
Mersey Gateway Council Vehicle Tolls	75	150	0
Pension Auto Enrolment – Employer Contributions	624	624	0
Social Care Act	100	100	100
Transition from Children's to Adult Social Care	200	200	200
Reduction to New Homes Bonus Grant	394	627	45
Budget Forecast	109,377	98,031	93,860
Resources			
Previous Years Resources:			
Revenue Support Grant	16,790	13,082	9,337
Retained Business Rates (Incl Top-Up Funding)	33,860	34,537	35,227
Council Tax	41,217	41,217	41,217
	91,867	88,836	85,781
Funding Gaps	17,510	9,195	8,079

APPENDIX F

COMMITTED CAPITAL PROGRAMME 2016-19

SCHEME	2016/17 £000	2017/18 £000	2018/19 £000
Schools Capital Projects	2,411	74	-
Fairfield Primary	1,133	853	-
Widnes Waterfront	800	-	-
Runcorn Town Centre Regeneration	2618	300	300
John Briggs House / Police Station	150	-	-
Hive Signage & Advertising	195	-	-
Equality Act Improvement Works	300	-	-
Widnes Market	1,433	-	-
ALD Bungalows	100	100	-
Grangeway Court Refurbishment	325	-	-
Community Capacity Grant	57	-	-
People & Economy Directorate	9,522	1,327	300
IT Rolling Programme	1,100	1,100	1,100
Highways Capital Maintenance	2,951	2,889	-
Major Maintenance Silver Jubilee Bridge	330	330	330
Street Lighting – Structural Maintenance	200	200	200
Street Lighting – Upgrades	2,350	1,500	-
Silver Jubilee Corridor Business Hubs	171	-	-
Connect Widnes	369	-	-
Fleet Replacements	2,940	624	556
Risk Management	120	120	120
Mersey Gateway Land Acquisition	5,667	919	3,855
Mersey Gateway Liquidity Fund	-	10,000	-
Mersey Gateway Crossing Board	3,474	2,649	-
Mersey Gateway Construction Costs	70,000	32,500	-
Mersey Gateway Loan Interest	3,917	1,773	-
Stadium Minor Works	280	30	30
Children’s Playground Equipment	65	65	65
Norton Priory	920	530	-
Landfill Tax Credit Schemes	340	340	340
Crow Wood Park Play Area	8	-	-
Peelhouse Lane Cemetery	402	70	-
Litter Bins	20	20	20
Community & Resources Directorate	95,624	55,659	6,616

Total Capital Programme	105,146	56,986	6,916
Slippage between years *	+ 9,598	+ 7,029	+ 4,897
	- 7,029	- 4,897	- 1,383
GRAND TOTAL	107,715	59,118	10,430

***Slippage for 2016/17 & 2017/18 is calculated after excluding Mersey Gateway Construction Costs**