

**REPORT TO:** Executive Board

**DATE:** 16 November 2017

**REPORTING OFFICER:** Operational Director – Finance

**PORTFOLIO:** Resources

**SUBJECT:** Initial Budget Proposals 2018/19

**WARD(S):** Borough-wide

### **1.0 PURPOSE OF REPORT**

1.1 To recommend to Council initial revenue budget proposals for 2018/19.

**2.0 RECOMMENDED: That Council approve the initial budget proposals for 2018/19 set out in Appendix 1.**

### **3.0 SUPPORTING INFORMATION**

3.1 The Medium Term Financial Strategy (MTFS) elsewhere on the Agenda forecasts potential revenue budget funding gaps for the Council totalling £22m over the next three years, with a gap of £5.6m for 2018/19. The forecast assumes that the Council will apply a general council tax increase of 1.9% in each year and will levy a 3% social care precept in 2018/19.

3.2 Budget saving proposals for 2018/19 are currently being developed by the Budget Working Group.

3.3 The first set of these proposals totalling £2.2m is listed in Appendix 1. It is proposed to implement these immediately in order to also achieve a part-year saving in 2017/18, 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 1<sup>st</sup> April 2018.

3.4 Appendix 1 includes an indication of whether each saving proposal is permanent or temporary (one-off). It also presents the impact in 2019/20 of certain of the savings proposals.

3.5 The Government will announce its Grant Settlement for Local Government in late December. However, in announcing the 2017/18 Grant Settlement the Government provided indicative grant figures for 2018/19 to 2019/20 upon which the MTFS has been based.

3.6 The Council also accepted the Government's four-year grant settlement offer, which should ensure that the Council will receive no less than the

indicative grant figures for each year. Therefore, it is not expected that the forecast budget gaps will change significantly for the next two years, however the position for 2020/21 is much less certain.

- 3.7 A second set of budget saving proposals is currently being developed by the Budget Working Group, which will be recommended to Council on 7 March 2018 to deliver a balanced budget for 2018/19.

#### **4.0 POLICY AND OTHER IMPLICATIONS**

- 4.1 The revenue budget supports the Council in achieving the aims and objectives set out in Halton's Sustainable Community Strategy 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.
- 6.2 The Council has accepted the Government's four-year grant settlement offer, which should ensure that the Council will receive no less than the indicative grant figures for each year up to 2019/20.

#### **7.0 EQUALITY AND DIVERSITY ISSUES**

- 7.1 None.

#### **8.0 REASON FOR THE DECISION**

- 8.1 To seek approval for the initial set of revenue budget proposals for 2018/19.

#### **9.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 9.1 There is no alternative option, as failure to set a balanced budget would put the Council in breach of statutory requirements.

#### **10.0 IMPLEMENTATION DATE**

- 10.1 The 2018/19 revenue budget will be implemented from 1st April 2018.

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

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



**APPENDIX 1**

	DIVISION / SERVICE AREA	DESCRIPTION OF PROPOSAL	TOTAL BUDGET £'000	ESTIMATED BUDGET SAVING		PERM TEMP (P/T)	MANDATORY OR DISCRETIONARY SERVICE AFFECTED (M / D)
				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - FINANCE DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
1	Audit, Procuremt & Op Finance Div	Increase in income generated from Supplier Incentive Programme (early payment scheme).	<b>45</b>	<b>20</b>	<b>0</b>	<b>P</b>	<b>D</b>
2	Audit, Procuremt & Op Finance Div	Increase in recovered funds from supplier statement reconciliations.	<b>15</b>	<b>6</b>	<b>0</b>	<b>P</b>	<b>D</b>
3	Audit, Procuremt & Op Finance Div	Rebate income from the Procurement Card scheme based on total value of transactions.	<b>n/a</b>	<b>6</b>	<b>0</b>	<b>P</b>	<b>D</b>
4	Audit, Procuremt & Op Finance Div	Realign the income budget for charges made to Appointeeship clients, to reflect the actual level of income being generated.	<b>130</b>	<b>10</b>	<b>0</b>	<b>P</b>	<b>D</b>
5	Revenues and Financial Management Div	Income from Financial Management service level agreement with NCER (National Consortium for Examination Results).	<b>n/a</b>	<b>15</b>	<b>0</b>	<b>P</b>	<b>D</b>
<b>PROCUREMENT OPPORTUNITIES</b>							
6	Corporate & Democracy	Reduction in the external audit fee following the re-procurement of external audit contracts undertaken by Public Sector Audit Appointments.	<b>144</b>	<b>20</b>	<b>0</b>	<b>P</b>	<b>D</b>

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				2018/19 £'000	2019/20 £'000		
<b>OTHER BUDGET SAVINGS</b>							
7	Audit, Procurement & Op Finance Div	Review of the Council's risk financing and insurance arrangements – premium saving from increasing the self-insurance deductibles for the public liability and employers liability insurance policies.	500	42	0	P	M
8	Audit, Procurement & Op Finance Div	Deletion of a vacant 0.6fte HBC5 Direct Payments Officer post.	165	15	0	P	M
9	Audit, Procurement & Op Finance Div	Saving by bringing the hosting of internal audit specialist software in-house.	5	2	0	P	M
10	Finance Dept	Deletion of vacant post of Divisional Manager Revenues & Benefits following the Finance Department's restructuring.	87	70	0	P	D
11	Benefits Div	Deletion of the following vacant posts: HBC2-4 Benefits Officer x 1fte HBC2-4 Revenues & Benefits Officers x 3.5fte HBC3 Overpayment Officer x 0.6fte	1,763	21 73 13	0 0 0	P P P	M M M
<b>TOTAL PERMANENT</b>				313	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				313	0		

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				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - COMMUNITY &amp; ENVIRONMENT DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
12	The Brindley	Increased income generation from the extended café provision.	n/a	20	0	P	D
13	Waste Services	Additional income from increasing the charge for collection of garden waste by £2 per annum (for the first time since its introduction in 2015/16). Current charges are £25 online (90% of subscribers) and £30 via phone or HDL.	388	32	0	P	D
14	Waste Services	Increase the charge for collection of bulky items from £22.50 to £24.00 for three items	66	3	0	P	D
<b>EFFICIENCY OPPORTUNITIES</b>							
15	Cemeteries & Crematorium	Staffing restructure resulting in a marginal reduction in staff hours.	260	3	0	P	M
16	Community Centres	Efficiency savings through reducing various areas of expenditure and increasing various areas of income generation.	312	25	0	P	M
17	Leisure Centre	Efficiency savings from reductions in various expenditure areas and increased income generation.	187	50	0	P	D

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				2018/19 £'000	2019/20 £'000		
18	Area Forum	Reduction in Area Forum funding, following which the remaining funding allocations would be; <ul style="list-style-type: none"> <li>• AF1 Broadheath, Ditton, Hough Green, Hale £44,050</li> <li>• AF2 Birchfield, Farnworth, Halton View £37,200</li> <li>• AF3 Appleton, Kingsway, Riverside £43,250</li> <li>• AF4 Grange, Heath, Halton Brook, Mersey £52,900</li> <li>• AF5 Halton Castle, Norton Nth, Norton Sth, Windmill Hill £43,400</li> <li>• AF6 Beechwood, Halton Lea £20,150</li> <li>• AF7 Daresbury £9,050</li> </ul> Total Remaining Allocation £250,000	300	50	0	P	D
19	Libraries	Implement various efficiency savings within Libraries, in order to reduce costs and increase income generation without affecting service provision.	1,660	25	0	P	D
<b>OTHER BUDGET SAVINGS</b>							
20	Parks Section	Review on-site Summer security of parks with the introduction of mobile security arrangements.	90	40	0	P	D
<b>TOTAL PERMANENT</b>				248	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				248	0		



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				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - ICT &amp; SUPPORT SERVICES DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
21	ICT & Support Services Department	Deletion of the following vacant posts within ICT & Support Services Department;  Snr Technical Officer HBC7/8 Carefirst System Officer 0.5fte HBC6 Two Senior Business Analysts HBC 7/8 Two Business Analysts HBC 5 Senior Administration Officer HBC6	<b>5,643</b>				
				<b>43</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>17</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>85</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>61</b>	<b>0</b>	<b>P</b>	<b>D</b>
				<b>34</b>	<b>0</b>	<b>P</b>	<b>D</b>
<b>TOTAL PERMANENT</b>				<b>240</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>240</b>	<b>0</b>		

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				2018/19 £'000	2019/20 £'000		
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - ECONOMY, ENTERPRISE &amp; PROPERTY DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
22	Asset Management	Rent income from charging the Courts Service for accommodation provided within Rutland House.	n/a	50	0	P	D
23	Asset Management	Lease rental income from the new Costa Coffee outlet in Runcorn where the Council retains ownership of the land.	n/a	10	0	P	D
<b>SHARED SERVICES / PARTNERSHIP ARRANGEMENTS</b>							
24	Regeneration (non-town centres)	One-off funding from the business rates retained by the Daresbury Enterprise Zone, in order to fund the Council's project management fees involved in supporting the development of SciTech Daresbury.	n/a	80	-80	T	D
<b>EFFICIENCY OPPORTUNITIES</b>							
25	Regeneration (town centres)	Savings relating to a review of shift patterns at Widnes Market and other efficiency measures introduced.	187	10	0	P	D
<b>OTHER BUDGET SAVINGS</b>							

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				2018/19 £'000	2019/20 £'000		
26	Economy Enterprise & Property	Reduce the amount of one-off reserves held to offset any potential funding clawback relating to externally funded projects.	390	100	-100	T	D
TOTAL PERMANENT				70	0		
TOTAL TEMPORARY (ONE-OFF)				180	-180		
GRAND TOTAL				250	-180		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM TEMP	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - LEGAL &amp; DEMOCRATIC SERVICES DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
27	Legal Services - Licensing	Deletion of a vacant HBC4 Licensing Officer post and consequent increase in hours of existing HBC6 post.	15	15	0	P	M
<b>TOTAL PERMANENT</b>				15	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				15	0		

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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>ENTERPRISE, COMMUNITY &amp; RESOURCES DIRECTORATE - PLANNING &amp; TRANSPORTATION DEPARTMENT</b>							
<b>INCOME GENERATION OPPORTUNITIES</b>							
28	Traffic Division	Additional income generated from increased charges for pavement licences and skip permits.	3	2	0	P	D
29	Traffic Division	Increased income generation from streetworks permit charges.	250	25	0	P	D
<b>EFFICIENCY OPPORTUNITIES</b>							
30	Transport Co-ordination/ Travel Training Service	The Travel Trainer assists 320 special educational needs pupils to travel independently to school by public transport (rather than taxi/minibus average cost £3,500pa). The Travel Trainer is at full capacity and has a waiting list of pupils to be trained. It is proposed to employ an additional Travel Trainer (HBC4) to reduce the waiting list and thereby reduce the cost of contracted transport, giving a net saving over and above the additional salary costs.	n/a	28	0	P	M
31	Fleet Maintenance	Reduction in the vehicle components budget through improved procurement and efficiency.	294	20	0	P	M
32	Lower House Lane Depot	Reduction in the Depot utilities budget through the introduction of efficiency improvements.	70	5	0	p	D
33	Highways Division	Reduction in the cost of Winter gritting from use of historic data and improved forecasting of specific road temperatures.	190	9	0	P	M

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34	Planning and Development	Deletion of the contaminated land assessment budget, with any future requirements forming part of the cost of the relevant capital schemes.	18	18	0	P	M
<b>OTHER BUDGET SAVINGS</b>							
35	Transport Co-ordination	10% reduction in the Council's grant to Halton Community Transport.	68	7	0	P	D
<b>TOTAL PERMANENT</b>				114	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				0	0		
<b>GRAND TOTAL</b>				114	0		

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				2018/19 £'000	2019/20 £'000		
<b>PEOPLE DIRECTORATE - PUBLIC PROTECTION DEPARTMENT</b>							
<b>OTHER BUDGET SAVINGS</b>							
36	Public Protection Department	One-off contribution from the departmental reserve.	284	200	-200	T	M/D
<b>TOTAL PERMANENT</b>				0	0		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				200	-200		
<b>GRAND TOTAL</b>				200	-200		

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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>PEOPLE DIRECTORATE - ADULT SOCIAL CARE DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
37	Care Management	Efficiency savings anticipated as a result of the review of Care Management which is currently being undertaken.	1,619	100	0	P	M
38	Halton Supported Housing Network	Waking nights service - pilot currently being undertaken	1,900	50	0	P	D
<b>OTHER BUDGET SAVINGS</b>							
39	Complex Care	Change to the funding of the Equipment Service, which is now part-funded from the Disabled Facilities Grant.	615	231	0	P	M
<b>TOTAL PERMANENT</b>				<b>381</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>381</b>	<b>0</b>		

	DIVISION /	DESCRIPTION OF PROPOSAL	TOTAL BUDGET	ESTIMATED BUDGET SAVING	PERM TEMP	MANDATORY OR DISCRETIONARY
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	SERVICE AREA		£'000	2018/19 £'000	2019/20 £'000	(P/T)	SERVICE AFFECTED (M / D)
<b>PEOPLE DIRECTORATE - CHILDREN &amp; FAMILIES DEPARTMENT</b>							
<b>PROCUREMENT OPPORTUNITIES</b>							
40	Children in Care and Care Leavers	A range of providers are used to purchase semi-supported accommodation and support for children in care and care leavers aged 16-18, as part of their preparation for independence. It is proposed to centralise this support via a contract with one provider to meet the needs of this group. This will reduce expensive spot-purchase arrangements, but will also ensure that there is a consistent and high quality service offer for this vulnerable group.	<b>780</b>	<b>330</b>	<b>0</b>	<b>P</b>	<b>M</b>
<b>TOTAL PERMANENT</b>				<b>330</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>330</b>	<b>0</b>		

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<b>PEOPLE DIRECTORATE - EDUCATION INCLUSION &amp; PROVISION DEPARTMENT</b>							
<b>EFFICIENCY OPPORTUNITIES</b>							
41	Policy, Provision, Performance & Education	Restructure and re-focus the work of the two Early Years Teams resulting in the deletion of two vacant posts.	<b>481</b>	<b>70</b>	<b>0</b>	<b>P</b>	<b>D</b>
42	Commissioning and Integrated Youth support Service	Reduction in hours (37 to 30 hours) for a Contract Management Officer.	<b>186</b>	<b>8</b>	<b>0</b>	<b>P</b>	<b>D</b>
<b>TOTAL PERMANENT</b>				<b>78</b>	<b>0</b>		
<b>TOTAL TEMPORARY (ONE-OFF)</b>				<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>				<b>78</b>	<b>0</b>		