

REPORT TO: Executive Board

DATE: 15 November 2018

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Resources

SUBJECT: Initial Budget Proposals 2019/20

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To recommend to Council initial revenue budget proposals for 2019/20.

2.0 RECOMMENDED: That Council approve the initial budget proposals for 2019/20 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 £21m over the next three years, with a gap of £9.8m for 2019/20. The Forecast assumes that the Council will apply a general council tax increase of 2.9% in 2019/20.

3.2 Budget saving proposals for 2019/20 are currently being developed by the Budget Working Group.

3.3 The first set of these proposals totalling £4.7m is listed in Appendix 1. It is proposed to implement these immediately in order to also achieve a part-year saving wherever possible in 2018/19, 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 2019.

3.4 Appendix 1 includes an indication of whether each saving proposal is permanent or temporary (one-off). It also presents the impact in 2020/21 of certain of the savings proposals.

3.5 The Government will announce its Grant Settlement for Local Government on 6th December 2018. However, in announcing the 2018/19 Grant Settlement the Government provided indicative grant figures for 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 next year, 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 6th March 2019 to deliver a balanced budget for 2019/20.

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 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 2019/20 revenue budget will be implemented from 1st April 2019.

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)
				2019/20 £'000	2020/21 £'000		
PEOPLE DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
1	Children & Families Dept	To increase the contribution from the Health Service towards the cost of Children's Continuing Health Care and Children in Care.	100	150	0	P	M
2	Education, Inclusion & Provision	Increased funding generated from the performance reward grant in relation to Troubled Families.	246	50	0	P	M
PROCUREMENT OPPORTUNITIES							
3	People Directorate	Target reduction in the cost of existing or re-procured contracts, across the Directorate.	N/A	590	0	P	M
EFFICIENCY OPPORTUNITIES							
4	Education Inclusion & Provision	Following a restructuring of the Early Years team an initial saving of £70,000 was approved for 2018/19. A further £25,000 saving has been identified now that the new structure has been finalised and implemented.	373	25	0	P	D

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5	Education Inclusion & Provision	Due to the reduction in the number of maintained secondary schools, the vacant Secondary School Advisor post has been deleted. A partial budget saving was approved in 2018/19 and this is the balance of the saving relating to that post.	38	38	0	P	D
6	Adult Social Care Department/ Commissioning Division	Restructuring within the Commissioning & Quality Assurance and Policy, Performance & Customer Care teams, resulting in the deletion of a vacant Representations & Information Officer post.	422	30	0	P	M
7	Adult Social Care Department/	Reductions in workload resulting from the implementation of the Transforming Domiciliary Care programme which will enable the deletion of a vacant Care Arranger post.	168	30	0	P	M
8	Adult Social Care Department/ Care Management Division	Various small budget savings within the Care Management Division.	1,671	20	0	P	M
9	Children & Families Dept/ Children's Locality Services Divisions	Review of Early Help and Intervention Services, to deliver rationalisation and management efficiencies.	1,686	350	0	P	M

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10	Children & Families Dept/ Children in Care Division	Review of children-in-care placements, with a focus upon increasing in-house foster care provision and utilisation.	4,352	150	0	P	M
OTHER BUDGET SAVINGS							
11	Public Protection Department / Environmental Protection	Re-profiling of budget from Environmental Protection creating a one-off saving.	200	200	-200	T	M
12	Children & Families Dept	Review of short break respite provision, to achieve efficiencies without effecting service provision.	809	150	0	P	D
13	Children & Families Dept	Review of the level of targeted support provided by the Health Improvement Team for Early Help.	N/A	80	0	P	M
14	Adult Social Care Department	Re-profiling of budget from Adult Social Care creating a one-off saving.	1,000	1,000	-1,000	T	M/D
15	People Directorate	Review of transport arrangements across the Directorate.	1,000	375	0	P	M

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16	People Directorate	Review of support costs and allowances relating to the Halton Safeguarding Childrens and Adults Boards with the introduction of Assurance Frameworks.	40	20	0	P	M
TOTAL PERMANENT SAVINGS				2,058	0		
TOTAL TEMPORARY (ONE-OFF) SAVINGS				1,200	-1,200		
GRAND TOTAL				3,258	-1,200		

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ENTERPRISE, COMMUNITY & RESOURCES DIRECTORATE							
INCOME GENERATION OPPORTUNITIES							
17	Community & Environ Dept / Community Safety	Income generated from a new contract to provide CCTV monitoring services for Merseylink.	N/A	75	0	P	M
18	Community & Environ Dept / Waste Management Div	Additional income from increasing the charge for collection of garden waste by £5 per annum. Current charges are £27 pa online (90% of subscribers) and £32 pa via phone or HDL, which are lower than most North West councils.	420	85	0	P	D
19	PP&T Dept / Traffic Div	Increased income generated from; (i) Charges for pavement licences and skip permits. (ii) Streetworks permit charges to utility companies.	3 250	1 10	0 0	P P	D D
20	PP&T Dept / Planning Div	Additional income from increasing the pre-application planning charges.	36	10	0	P	D
21	PP&T Dept / Planning Div	Income generated from enhanced charges for large or complex planning proposals, through the introduction of Planning Performance Agreements.	0	10	0	P	D
22	EE&P Dept / Development & Investment Services	Income generated from the introduction of the external funding charging policy.	253	10	0	P	D

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23	Finance Dept / Audit, Procuremt & Op Fin Div	Extra income from charging for additional financial processing services provided under a contract with the National Consortium for Examination Results.	10	5	0	P	D
24	Finance Dept / Audit, Procuremt & Op Fin Div	Increased income from supplier statement reconciliations, to recover credits owed by suppliers who are no longer used by the Council.	21	6	0	P	D
SHARED SERVICES / PARTNERSHIP ARRANGEMENTS							
25	Community & Environ Dept / Community Development	Development of opportunities for further efficiencies within Community Centre provision.	114	35	0	P	D
EFFICIENCY OPPORTUNITIES							
26	Community & Environ Dept / Splash Fund	Reduce the Splash Fund budget.	61	34	0	P	D
27	Community & Environ Dept / Open Spaces Div	Efficiencies arising from delivery of the Halton Residents Funeral package.	105	15	0	P	M

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28	Community & Environ Dept / Open Spaces Div	The bowling greens at Crow Wood Park, Hough Green Park, Leigh Recreation Ground and Rock Park to be closed or offered to bowling clubs to maintain and operate them. This would leave those in Victoria Park and Runcorn Hill Park operated by the Council.	40	40	0	P	D
29	PP&T Dept / Building Control	Deletion of the unused Structural Engineers contracted services budget, as now funded by the relevant schemes.	10	10	0	P	M
30	PP&T Dept / Traffic Div	Further reduction in the street lighting budget as a result of the ongoing LED replacement programme, which provides reduced energy and maintenance costs.	1,718	100	0	P	M
31	Finance Dept / Audit, Procuremt & Op Fin Div	Deletion of a vacant 0.6fte Purchase to Pay Officer post.	16	16	0	P	D
32	Finance Dept / Revenues & Financial Management Div	Deletion of two (1.6fte) vacant posts in the Financial Management team.	1,256	42	0	P	D
33	Finance Dept / Audit, Procuremt & Op Fin Div	Reduction in the vehicle insurance budget in order to realign the budget with the actual level of spend.	110	10	0	P	D

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34	Community & Environ Dept / Area Forums	Reduction in the Area Forum budget with resulting allocations of; <ul style="list-style-type: none"> • AF1 Broadheath, Ditton, Hough Green, Hale £35k • AF2 Birchfield, Farnworth, Halton View £30k • AF3 Appleton, Kingsway, Riverside £35k • AF4 Grange, Heath, Halton Brook, Mersey £42k • AF5 Halton Castle, Norton Nth, Norton Sth, Windmill Hill £35k • AF6 Beechwood, Halton Lea £16k • AF7 Daresbury £7k Total Allocation £200,000	250	50	0	P	D
35	Legal & Dem Svcs Dept / Member Services	Reduction in the small functions budget.	22	5	0	P	D
36	Legal & Dem Svcs Dept / Licencing	Budget reduction arising from a reduction in hours already approved for a member of staff in the Licencing Team	40	12	0	P	M
37	EE&P Dept	Review of service provision within the Regeneration and Asset Management Divisions of the Economy, Enterprise and Property Department.	1,032	100	0	P	D
38	EE&P Dept / Property Operations	Reduction in the property maintenance budget, as a result of the rationalisation of premises in accordance with the accommodation strategy.	2,171	100	0	P	M
39	EE&P Dept / Operations Div	Saving (excluding utility costs) from the phased vacation of Kingsway House.	260	85	175	P	D

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40	Policy, Planning & Transport Dept	Estimated energy saving from implementation of the Solar Farm.	N/A	40	0	P	D
OTHER BUDGET SAVINGS							
41	Community & Environ Dept / Waste Mgt Div	Deletion of a vacant Refuse Collection Operative post.	597	25	0	P	D
42	PP&T Dept / Traffic Div	Deletion of vacant part-time posts within the Traffic Division.	131	14	0	P	D
43	EE&P Dept / External Funding	Review of arrangements for potential clawback on externally funded projects.	258	50	-50	T	D
44	Corporate	Reduction in those non-staffing budgets which are not bound by contractual commitments, across all Services.	4,350	400	0	P	D
TOTAL PERMANENT SAVINGS				1,345	175		
TOTAL TEMPORARY (ONE-OFF) SAVINGS				50	-50		
GRAND TOTAL				1,395	125		