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Thursday, 16 February 2017

TO: THE MAYOR AND COUNCILLORS

Dear Councillor,

Please see attached report marked 'To follow' on your agenda for **COUNCIL** on **WEDNESDAY, 22 FEBRUARY 2017**.

Yours faithfully

A handwritten signature in black ink, appearing to be "Kim Webber", written over a horizontal line.

Kim Webber
Chief Executive

PAGE(S)

11. * **BUDGET REQUIREMENT 2017/18**
To consider the report of the Borough Treasurer. 177 - 204



COUNCIL: 22 February 2017

Report of: Borough Treasurer

Contact: Marc Taylor (Extn. 5092)
(E-mail: Marc.Taylor@westlancs.gov.uk)

SUBJECT: BUDGET REQUIREMENT 2017/18

Wards affected: Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 To enable the Council to set its budget for the next financial year.

2.0 RECOMMENDATIONS

- 2.1 That the General Revenue Account (GRA) budget be approved based on the proposals to be presented at the Council meeting.
- 2.2 That the GRA Reserves Policy set out in Appendix A to this report be approved.
- 2.3 That the contract savings, including voluntary redundancies, set out in Appendix C to this report be approved.
- 2.4 That delegated authority be given to the Chief Executive and Heads of Service to take all necessary action to implement the changes resulting from the budget proposals.

3.0 BACKGROUND

3.1 The Council is required to set a budget and determine its council tax before the start of each financial year in accordance with statutory requirements and proper accounting practices.

- 3.2 The draft budget position was considered by Cabinet at its meeting of 10th January. The Executive Overview and Scrutiny Committee also considered this position at its meeting of 26th January but did not agree any comments on the budget.
- 3.3 The Portfolio Holder for Finance has been given delegated authority to submit proposals to Council at its meeting on 22nd February to enable the budget to be set. This meeting will provide all Members with the opportunity to debate and agree the budget.

4.0 CURRENT YEAR BUDGET MONITORING

- 4.1 The GRA budget approved by Council for the 2016-17 financial year provided for net expenditure of £12.883m. Throughout the year Heads of Service and their staff have been monitoring and controlling their expenditure and income against their approved budgets, and monitoring reports have been made to Members on performance.
- 4.2 The mid-year monitoring report projected an overall favourable variance of £220,000 or 1.7% on the budget. The latest third quarter monitoring figures show an improvement of £90,000, and now forecast an updated favourable variance of £310,000 or 2.4% of the budget. These projections have been calculated on a prudent basis, and consequently should be achieved. Members can consider whether they wish to use this favourable variance as part of the budget setting process.

5.0 RESERVES AND BALANCES

- 5.1 In accordance with statutory regulations and CIPFA guidance the levels of balances and reserves have been reviewed during the budget process to ensure that they are currently sufficient and that they will remain adequate over the medium term.
- 5.2 The Council is facing a very difficult medium term financial position, as are all local authorities, primarily as a result of reductions in government grants and other external funding. However prudent financial management means that the Council has an adequate level of reserves and balances and so is well placed to deal with this financial challenge. The vast majority of these reserves are earmarked for specific purposes and consequently are not available to support new or additional spending. It is expected that the overall level of reserves and balances will reduce over the next few years as a result of the difficult financial climate. Details on the purpose and current level of reserves and balances are shown in the GRA Reserves Policy in Appendix A.

6.0 BUDGET POSITION FOR 2017-18

- 6.1 The Medium Term Financial Forecast projected that there would be a budget gap of £1.44m for 2017-18 in terms of the difference between the spending required to maintain agreed service levels and the resources that were expected to be

available. Through a series of policy option and other reports, measures to save £1.05m have now been agreed through generating additional income, reducing costs, delivering efficiencies, and other initiatives. This then left a remaining budget gap of £0.39m.

- 6.2 The value of the savings gap for 2017-18 has been reduced further to £155,000 primarily as a result of unexpected changes on New Homes Bonus grant funding, which were announced by the Government in mid December. While these New Homes Bonus changes have produced a better than expected result for 2017/18, the impact in subsequent years will be significantly worse than forecast.
- 6.3 Draft estimates have been prepared for next year that set out a provisional budget for the Council covering all areas of expenditure and income. Details on these estimates are included in Appendix B, which I have reviewed to ensure that they are robust for the purposes of the budget calculation in accordance with statutory requirements and accounting codes of practice. The draft estimates have been prepared to include the increases in the base budget required to roll forward agreed service levels, covering a range of standard factors such as pay inflation, contractual increments, contract inflation, and changes in recharges. These estimates also include the impact of previously agreed policy options.
- 6.4 In February 2016 a policy option was agreed to renegotiate the Lancashire County Council shared services contract for Revenues, Benefits and ICT services. A saving of £42,000 from this factor was included in the 2016-17 budget and a further £278,000 has been included in the 2017-18 budget. The total ongoing saving of £320,000 per year is equivalent to around 10% of the total contract cost. An element of these savings will be delivered through voluntary redundancies, and details of the savings and associated exit costs are included in Appendix C.
- 6.5 Statutory regulations require that a council tax base figure is calculated each year that reflects the amount of income that can be raised through the council tax. The tax base has increased this year from 34,020.96 to 34,390.20 (expressed in number of Band D equivalent properties), which represents an increase of 1.1%, mainly as a result of new homes being built in the Borough.
- 6.6 The draft budget includes an allowance of £125,000 to fund new budget issues and to deal with spending and income pressures. However the final value of budget issues will depend on the proposals agreed by Members at the Council meeting. If the value of these budget issues exceeds the £125,000 provision it will increase the scale of the budget gap. Conversely if the value of budget issues is below the £125,000 provision it will reduce the amount of the budget gap.

7.0 MEDIUM TERM BUDGET PROSPECTS

- 7.1 The current version of the Medium Term Financial Forecast had been projecting a budget gap of £1.562m for 2018/19 and a further £0.473m for 2019/20, giving a cumulative savings requirement of just over £2m per annum by the end of this period. Government announcements on New Homes Bonus funding mean that this position has worsened significantly, and the budget gap facing the GRA will now be significantly more than £2m, and probably more around the £2.5m mark.

- 7.2 A full review of the medium term financial forecast is currently underway and should be completed in March. The clear message on the GRA's medium term position though is that it will be very challenging over the next few years, and that every effort will need to be made to continue to maximise efficiencies and income so that the effect on service levels and jobs is kept to a minimum. There will however still be a need to consider difficult choices on priorities through the policy options process. It is important that Members take this financial context into account when making any decisions on the budget for next year.

8.0 BUDGET APPROVAL

- 8.1 The Portfolio Holder for Finance has been given delegated authority to submit proposals for consideration at the Council meeting to enable the budget to be determined, and it is anticipated that a set of budget papers will be circulated at the meeting to enable this to be achieved.

9.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 9.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

10.0 RISK ASSESSMENT

- 10.1 The formal consideration and reporting of the budget estimates is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. This process is resource intensive for both Members and Officers but ensures that a robust and achievable budget is set.
- 10.2 The challenging financial position facing local authorities has been evaluated and assessed as being a key risk, and consequently is included on the Council's key risk register.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this report.

Equality Impact Assessment

The direct impact on members of the public, employees, elected members and / or stakeholders is dependent on the proposals to be put forward at the Council meeting. Therefore no Equality Impact Assessment has been produced at this time. However, an Assessment will be produced and made available at the Council meeting if required.

Appendices

Appendix A – GRA Reserves Policy

Appendix B – Draft General Revenue Account Estimates

Appendix C – Contract Savings and Exit Costs

APPENDIX A - GRA RESERVES POLICY

1. Reserves Protocol

- 1.1 For each reserve held by the Council there must be a clear protocol setting out:
 - The reason for and purpose of the reserve;
 - How and when the reserve can be used;
 - Procedures for the reserve's management and control; and
 - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
- 1.2 Details for each GRA reserve held by the Council are set out below. Each reserve is managed and controlled by a Head of Service. The responsible officer can authorise amounts of up to £10,000 to be taken from a reserve provided that its use is in line with the stated purpose of the reserve.
- 1.3 In addition the responsible officer must also consult with the Portfolio Holder for Finance and other relevant portfolio holder(s) before authorising uses from reserves in excess of £10,000.
- 1.4 Reserves are reviewed and updated as part of the annual budget preparation and as part of the closure of accounts process to ensure that they continue to be required and are adequate in size. Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area. Balances represent unallocated funds which have not been earmarked and consequently are available to support any service area.
- 1.5 The values shown below for each reserve reflect their current position. The process for closing down the accounts at the year end will allow for any outstanding in year commitments and contributions to be taken into account.
- 1.6 The challenging medium term financial position facing the Council means that the level of reserves and balances is likely to reduce over time. The underlying level of reserves however is adequate and reflects the Council's stable financial position.

Description	Purpose	How and When Used	Responsible Officer(s)	Value £000
Balances				
CORE BALANCES	Balances held to help cushion the impact of uneven cash flows and to avoid unnecessary temporary borrowing	Core balances will typically not change in year and should be maintained at a minimum level of 5% of the budget requirement	Borough Treasurer	700
CONTINGENCY BALANCES	Balances held to cushion the impact of unexpected events or emergencies	Used if required as a general contingency with an expectation that it will be maintained at a minimum level of 2% of budget	Borough Treasurer	260
Corporate Reserves				
MAJOR PROJECTS	Funds set aside to cover the costs of major corporate initiatives and projects	Used to meet the costs of specific initiatives agreed through Council and Cabinet	Borough Treasurer	1,075
POLICY OPTIONS	To support the development and implementation of the Policy Options process	Funding to implement Policy Option proposals, including additional unexpected costs, project resourcing, delays in implementation etc.	Borough Treasurer	500
CAPITAL	To hold revenue funds that will be used to support capital projects	Used to meet the costs of specific capital schemes agreed through Council and Cabinet	Borough Treasurer	396
BENEFITS / COUNCIL TAX SUPPORT EQUALISATION	To assist in managing and controlling benefits / council tax support costs which are demand led areas outside of the direct control of the Council	Used to smooth out variations in benefits spending and council tax support against budget. Its level is maintained at a minimum of 1% of the expenditure budget	Borough Treasurer	322
BUSINESS RATE INCOME EQUALISATION	To assist in managing and controlling business rate income which is not within the direct control of the Council	Used to smooth out variations in business rate income over a medium term time scale	Borough Treasurer	661
PLANNING INCOME EQUALISATION	To assist in managing and controlling planning income which is not within the direct control of the Council	Used to smooth out variations in planning income over a medium term time scale	Borough Treasurer	198
RESTRUCTURING	This reserve is used to meet one off staff exit costs from redundancies and early retirements as part of restructuring initiatives	Used following approval of redundancies in accordance with Council policy	Borough Treasurer	1,090
BUDGET AND EFFICIENCY SAVINGS	This reserve is available to support the overall budget position	Used to deal with the financial challenges facing the Council as set out in the medium term financial forecast	Borough Treasurer	1,105
STRATEGIC INVESTMENT	This reserve is available to support Economic Regeneration initiatives and the Leisure Strategy	Used to meet the costs of specific initiatives agreed through Council and Cabinet	Borough Treasurer	1,782

Description	Purpose	How and When Used	Responsible Officer(s)	Value £000
Insurance Reserve				
INSURANCE RESERVE	Funds held to meet the Council's self-insured liabilities where this is a more cost effective method of insuring than using an external company.	Costs are incurred when insurance claims are settled and funding is provided by individual Council services. The level of the reserve is determined through actuarial reviews	Borough Treasurer	2,216
Specific Grant Reserves				
BENEFITS / COUNCIL TAX SUPPORT INITIATIVES	Fund used to store Benefits Initiatives Grants received from the Government in previous financial years	Used to maintain and improve performance, implement changes in regulations, and deliver service improvements. Its level reflects the balance of unspent grant	Borough Transformation Manager	120
Repairs and Renewals				
CRA PORTFOLIO – REPAIRS AND RENEWALS FUND	Fund used to meet the costs of building and other issues on the Community Related Assets Portfolio	Available for programmed maintenance and response repairs, new investment, and to provide general support for the CRA portfolio. Annual contribution made from revenue budget	Director Development & Regeneration	218
SOLAR PV FUND	To fund the replacement of Solar PV equipment located on Council houses	Annual contribution made to reserve from within revenue budget. To be used to fund repairs and renewals	Director Housing & Inclusion	23
PAY & DISPLAY MACHINE REPLACEMENT FUND	To part fund the replacement of the pay & display machines located on the Council car parks	Annual contribution made to reserve from within revenue budget. To be used to part fund replacement of all machines	Director Development & Regeneration	63
Ring Fenced Reserves				
HOME CARE LINK	Funding generated from surpluses on Home Care Link activities which is operated as a trading account	Available to meet costs and initiatives within this trading account area. Its level reflects accumulated surpluses	Director Leisure and Wellbeing	8
INDUSTRIAL PORTFOLIO FUND	Funding generated from surpluses on the Langtree Estate that is ring fenced for certain regeneration purposes	Available to meet initiatives within this ring fenced area. Its level reflects accumulated surpluses	Director Development & Regeneration	380
INVESTMENT CENTRE	Funding generated from surpluses on the Investment Centre that is ring fenced for social enterprise purposes	Available to meet initiatives within this ring fenced area and to provide general support to the trading account position. Its level reflects accumulated surpluses	Director Development & Regeneration	190
COMMUNITY INFRASTRUCTURE LEVY	Funding generated from CIL monies and which must be spent in line with the CIL framework	Uses of this reserve are agreed through reports to Cabinet	Director Development & Regeneration	153

APPENDIX B

***GENERAL REVENUE ACCOUNT
DRAFT ESTIMATES***

BUDGET 2017/2018

TABLE 1

**WEST LANCASHIRE BOROUGH COUNCIL
GENERAL REVENUE ACCOUNT ESTIMATES**

NET EXPENDITURE BUDGETS	2016/2017 BUDGET £	2017/2018 BUDGET £
SERVICE BUDGETS		
Leisure and Wellbeing	4,707,070	4,603,290
Housing and Inclusion	1,440,310	1,598,350
Development and Regeneration	940,240	737,040
Street Scene	5,025,710	4,737,460
Legal and Democratic	1,079,860	909,800
Finance and Human Resources	1,679,690	1,579,610
General and Unallocated Items	-523,642	-1,740
NON SERVICE ITEMS		
Treasury Management	-34,560	-37,030
Capital Charges	-1,277,710	-1,327,070
Minimum Revenue Provision	185,390	261,550
Transfer from Balances / Reserves	-339,040	-88,390
FUNDING ITEMS		
General Government Grants	-3,791,136	-3,095,155
Retained Business Rate Income	-2,701,703	-3,120,703
Council Tax Deficit or Surplus (-)	-36,725	-67,000
Council Tax Income	-6,353,754	-6,535,170
Budget Gap	0	154,842

LEISURE AND WELLBEING SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2017/2018						
ENVIRONMENTAL HEALTH						
Health Management	343,020	41,640	-600	384,060	-316,910	67,150
Food Safety	0	7,770	0	7,770	52,470	60,240
Health & Safety	174,080	14,820	-570	188,330	-101,140	87,190
Pollution Control	180,320	25,810	-13,640	192,490	73,320	265,810
Licensing	103,330	26,320	-245,200	-115,550	88,340	-27,210
Dog Control	0	0	0	0	1,580	1,580
Pest Control	67,910	29,740	-61,000	36,650	34,920	71,570
Criminal Records Bureau	0	10,800	-10,800	0	100	100
Public Health	105,920	73,820	-2,500	177,240	23,040	200,280
Sub total	974,580	230,720	-334,310	870,990	-144,280	726,710
COMMUNITY SAFETY						
Community Support Officers	0	88,000	0	88,000	0	88,000
Community Safety	37,150	26,440	-10,000	53,590	83,230	136,820
CCTV Running Costs	0	265,610	0	265,610	70,820	336,430
Crime & Disorder General	68,570	4,090	0	72,660	-72,660	0
Sub total	105,720	384,140	-10,000	479,860	81,390	561,250
PRIVATE SECTOR HOUSING						
Housing Management	75,570	17,350	0	92,920	-101,300	-8,380
Housing Advice	66,490	13,510	0	80,000	101,690	181,690
Housing Renewal	113,100	35,690	-90,750	58,040	116,560	174,600
Housing Schemes	0	43,880	-43,880	0	0	0
Sub total	255,160	110,430	-134,630	230,960	116,950	347,910
HEALTH & SAFETY						
Health & Safety	88,480	10,050	0	98,530	-102,890	-4,360
Sub total	88,480	10,050	0	98,530	-102,890	-4,360

LEISURE AND WELLBEING SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2016/2017						
ENVIRONMENTAL HEALTH						
Health Management	309,100	42,060	-650	350,510	-327,750	22,760
Food Safety	330	18,910	-1,990	17,250	135,090	152,340
Health & Safety	169,880	8,310	-570	177,620	-66,920	110,700
Pollution Control	176,220	29,000	-13,640	191,580	78,230	269,810
Licensing	101,780	28,310	-245,200	-115,110	78,220	-36,890
Dog Control	0	10,000	0	10,000	0	10,000
Pest Control	66,410	33,390	-61,000	38,800	13,830	52,630
Criminal Records Bureau	0	10,000	-10,000	0	0	0
Public Health	103,210	76,170	-2,500	176,880	24,560	201,440
Sub total	926,930	256,150	-335,550	847,530	-64,740	782,790
COMMUNITY SAFETY						
Community Support Officers	0	88,000	0	88,000	0	88,000
Community Safety	34,040	26,810	-10,000	50,850	106,400	157,250
CCTV Running Costs	0	267,760	0	267,760	119,720	387,480
Crime & Disorder General	66,600	4,880	0	71,480	-71,480	0
Sub total	100,640	387,450	-10,000	478,090	154,640	632,730
PRIVATE SECTOR HOUSING						
Housing Management	70,690	0	0	70,690	-70,690	0
Housing Advice	66,640	22,750	0	89,390	74,140	163,530
Housing Renewal	110,820	35,980	-90,810	55,990	70,660	126,650
Housing Schemes	0	43,880	-43,880	0	0	0
Sub total	248,150	102,610	-134,690	216,070	74,110	290,180
HEALTH & SAFETY						
Health & Safety	86,900	9,050	0	95,950	-96,040	-90
Sub total	86,900	9,050	0	95,950	-96,040	-90

LEISURE AND WELLBEING SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2017/2018						
LEISURE, CULTURAL AND HOME CARE LINK						
Health & Wellbeing Strategy	72,930	5,960	-500	78,390	15,710	94,100
Employee Account	277,910	22,850	0	300,760	-300,760	0
Chapel Gallery	80,670	45,250	-65,640	60,280	253,540	313,820
Cultural Services	31,470	32,440	-12,440	51,470	98,060	149,530
Golf Centre	0	2,170	0	2,170	42,230	44,400
Park Pool	0	406,050	0	406,050	125,960	532,010
Nye Bevan Pool	0	266,060	0	266,060	94,740	360,800
Burscough Sports Centre	0	48,950	0	48,950	77,890	126,840
North Meols Comm. Leis Centre	0	158,070	0	158,070	67,270	225,340
Leisure Trust Support	0	15,500	0	15,500	69,920	85,420
Civic Hall	0	2,530	-2,530	0	10,410	10,410
Community Letting Facilities	0	920	-890	30	82,770	82,800
Skelmersdale Comm. Centres	0	4,340	-3,400	940	74,570	75,510
Sports Development Prog.	10,710	4,420	0	15,130	25,110	40,240
Playgrounds Client A/c	0	94,320	0	94,320	97,660	191,980
Countryside Sites Client A/c	0	77,520	-4,000	73,520	22,100	95,620
Countryside Recreation	95,900	69,110	-6,340	158,670	50,770	209,440
Sports Fields Client A/c	5,960	153,080	-27,990	131,050	91,960	223,010
Parks	29,100	15,170	-4,680	39,590	1,300	40,890
Home Care Link	379,670	157,000	-441,000	95,670	-26,050	69,620
Sub total	984,320	1,581,710	-569,410	1,996,620	975,160	2,971,780
Service Total	2,408,260	2,317,050	-1,048,350	3,676,960	926,330	4,603,290

LEISURE AND WELLBEING SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2016/2017						
LEISURE, CULTURAL AND HOME CARE LINK						
Health & Wellbeing Strategy	69,430	105,280	-500	174,210	8,840	183,050
Employee Account	266,760	21,910	0	288,670	-288,720	-50
Chapel Gallery	82,160	45,140	-55,640	71,660	211,640	283,300
Cultural Services	30,650	29,380	-12,440	47,590	99,710	147,300
Golf Centre	0	2,120	0	2,120	42,920	45,040
Park Pool	0	396,240	0	396,240	126,150	522,390
Nye Bevan Pool	0	261,450	0	261,450	94,930	356,380
Burscough Sports Centre	0	46,930	0	46,930	78,110	125,040
North Meols Comm. Leis Centre	0	154,080	0	154,080	67,560	221,640
Leisure Trust Support	0	15,500	0	15,500	74,920	90,420
Civic Hall	0	2,520	-2,390	130	14,390	14,520
Community Letting Facilities	0	940	-890	50	89,140	89,190
Skelmersdale Comm. Centres	0	4,230	-3,160	1,070	77,960	79,030
Sports Development Prog.	10,370	21,760	-15,000	17,130	15,850	32,980
Playgrounds Client A/c	0	94,520	0	94,520	89,430	183,950
Countryside Sites Client A/c	0	92,870	-19,940	72,930	23,370	96,300
Countryside Recreation	93,330	69,900	-10,040	153,190	65,710	218,900
Sports Fields Client A/c	7,790	134,090	-28,020	113,860	100,320	214,180
Parks	26,360	37,660	-27,000	37,020	1,660	38,680
Home Care Link	363,550	162,870	-444,280	82,140	-22,920	59,220
Sub total	950,400	1,699,390	-619,300	2,030,490	970,970	3,001,460
Service Total	2,313,020	2,454,650	-1,099,540	3,668,130	1,038,940	4,707,070

HOUSING AND INCLUSION SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2017/2018						
TRANSFORMATION						
Communication & Consultation	144,170	13,940	0	158,110	-162,890	-4,780
Partnership & Performance	71,150	11,810	0	82,960	-72,340	10,620
Grant to Voluntary Organisations	0	136,240	0	136,240	11,490	147,730
Community Chest	0	20,430	0	20,430	10,460	30,890
Women's Refuge Grant	0	11,230	0	11,230	0	11,230
Customer Services & Transformation	507,600	28,750	-60	536,290	-536,240	50
Revenues, Benefits & ICT Services	2,501,740	4,286,800	-4,153,350	2,635,190	-2,152,460	482,730
Housing Benefits	0	29,607,820	-30,034,650	-426,830	1,279,560	852,730
Sub total	3,224,660	34,117,020	-34,188,060	3,153,620	-1,622,420	1,531,200
PROPERTY MAINTENANCE						
Property Services	232,210	733,310	-286,760	678,760	-736,820	-58,060
Bus/Rail Interchange	0	28,030	-6,500	21,530	12,240	33,770
Public Conveniences	36,060	34,590	0	70,650	8,980	79,630
War Memorial/Clocks/Sculptures	0	11,810	0	11,810	0	11,810
Sub total	268,270	807,740	-293,260	782,750	-715,600	67,150
Service Total	3,492,930	34,924,760	-34,481,320	3,936,370	-2,338,020	1,598,350

HOUSING AND INCLUSION SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£

BUDGET 2016/2017

TRANSFORMATION

Communication & Consultation	137,480	13,930	0	151,410	-248,160	-96,750
Partnership & Performance	68,880	10,950	0	79,830	-71,060	8,770
Grant to Voluntary Organisations	0	138,080	0	138,080	6,710	144,790
Community Chest	0	20,250	0	20,250	6,870	27,120
Women's Refuge Grant	0	11,230	0	11,230	0	11,230
Customer Services & Transformation	492,870	28,470	-60	521,280	-558,840	-37,560
Revenues, Benefits & ICT Services	2,590,930	4,300,730	-4,223,160	2,668,500	-2,215,530	452,970
Housing Benefits	0	29,607,820	-29,972,910	-365,090	1,325,010	959,920
Sub Total	3,290,160	34,131,460	-34,196,130	3,225,490	-1,755,000	1,470,490

PROPERTY MAINTENANCE

Property Services	219,620	787,380	-286,440	720,560	-868,350	-147,790
Bus/Rail Interchange	0	28,080	-3,000	25,080	8,890	33,970
Public Conveniences	35,080	35,230	0	70,310	1,510	71,820
War Memorial/Clocks/Sculptures	0	11,800	0	11,800	20	11,820
Sub total	254,700	862,490	-289,440	827,750	-857,930	-30,180

Service Total	3,544,860	34,993,950	-34,485,570	4,053,240	-2,612,930	1,440,310
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DEVELOPMENT & REGENERATION

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2017/2018						
PLANNING SERVICES						
Management Admin & Support	323,620	30,960	-2,350	352,230	-357,290	-5,060
Policy	248,220	75,670	-230,250	93,640	345,350	438,990
Heritage & Environment	158,950	20,450	-21,000	158,400	41,280	199,680
Development Control	549,100	105,030	-784,000	-129,870	526,280	396,410
Building Control	178,090	30,380	-212,610	-4,140	97,940	93,800
Sub Total	1,457,980	262,490	-1,250,210	470,260	653,560	1,123,820
TECHNICAL SERVICES						
Technical Services Employees	206,210	14,620	-60	220,770	-220,770	0
Town Centre Management	0	6,400	0	6,400	47,830	54,230
Bus Shelters	0	310	0	310	0	310
Car Parks	0	217,220	-636,980	-419,760	130,530	-289,230
Other Services	0	2,000	0	2,000	0	2,000
Festive Lighting	0	17,370	-31,000	-13,630	2,910	-10,720
Shoreline Management	0	3,750	0	3,750	12,090	15,840
Street Nameplates, etc	0	20,000	0	20,000	16,230	36,230
Watercourses / Flooding	0	3,500	0	3,500	26,490	29,990
Methane Monitoring	0	37,000	0	37,000	19,860	56,860
Market Contribution	18,530	156,930	-255,380	-79,920	75,390	-4,530
Sub total	224,740	479,100	-923,420	-219,580	110,560	-109,020

DEVELOPMENT & REGENERATION

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£

BUDGET 2016/2017

PLANNING SERVICES

Management Admin & Support	318,990	39,540	-2,850	355,680	-373,910	-18,230
Policy	242,360	76,880	-230,250	88,990	343,860	432,850
Heritage & Environment	154,500	19,030	-19,000	154,530	51,830	206,360
Development Control	566,650	103,230	-779,000	-109,120	564,410	455,290
Building Control	181,740	33,700	-154,610	60,830	97,060	157,890
Sub Total	1,464,240	272,380	-1,185,710	550,910	683,250	1,234,160

TECHNICAL SERVICES

Technical Services						
Employees	147,880	14,710	-60	162,530	-162,530	0
Town Centre Management	0	7,400	0	7,400	46,650	54,050
Bus Shelters	0	320	0	320	0	320
Car Parks	0	211,790	-630,500	-418,710	123,160	-295,550
Other Services	0	2,000	0	2,000	0	2,000
Festive Lighting	0	16,770	-31,000	-14,230	0	-14,230
Shoreline Management	0	3,750	0	3,750	11,810	15,560
Street Nameplates, etc	0	20,000	0	20,000	15,830	35,830
Watercourses / Flooding	0	3,500	0	3,500	25,540	29,040
Methane Monitoring	0	37,000	0	37,000	19,360	56,360
Market Contribution	19,180	146,710	-255,380	-89,490	76,850	-12,640
Sub total	167,060	463,950	-916,940	-285,930	156,670	-129,260

DEVELOPMENT & REGENERATION

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2017/2018						
REGENERATION, ESTATES & HOUSING						
Management Support	95,360	7,120	0	102,480	-12,360	90,120
Economic Development Unit	270,320	240,480	0	510,800	-105,610	405,190
Estates	234,500	23,430	-11,000	246,930	-249,450	-2,520
Burscough Industrial Estate	0	1,000	-31,280	-30,280	-2,640	-32,920
Westgate Depot	0	9,650	-28,170	-18,520	700	-17,820
Green Hey Place	0	13,470	-57,610	-44,140	-3,470	-47,610
Burscough Old Stables	1,100	7,970	-5,000	4,070	14,650	18,720
CRA Management	0	200,050	-1,058,960	-858,910	135,340	-723,570
Industrial Portfolio	0	187,200	-323,660	-136,460	136,460	0
Investment Centre	135,560	411,930	-575,500	-28,010	28,010	0
Estates Management	0	48,470	-241,390	-192,920	176,610	-16,310
Regeneration Projects Team	2,260	1,780	0	4,040	0	4,040
Housing Strategy	51,780	13,880	0	65,660	-20,740	44,920
Sub total	790,880	1,166,430	-2,332,570	-375,260	97,500	-277,760
Service Total	2,473,600	1,908,020	-4,506,200	-124,580	861,620	737,040

DEVELOPMENT & REGENERATION

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£

BUDGET 2016/2017

REGENERATION, ESTATES & HOUSING

Management Support	24,940	4,820	0	29,760	26,110	55,870
Economic Development Unit	274,910	170,190	0	445,100	-12,850	432,250
Estates	217,330	26,030	-11,000	232,360	-225,360	7,000
Burscough Industrial Estate	0	1,000	-31,280	-30,280	-2,740	-33,020
Westgate Depot	0	8,850	-29,320	-20,470	600	-19,870
Green Hey Place	0	5,500	-57,610	-52,110	3,430	-48,680
Burscough Old Stables	1,110	7,960	-5,000	4,070	16,020	20,090
CRA Management	0	223,940	-948,070	-724,130	79,800	-644,330
Industrial Portfolio	0	165,470	-323,660	-158,190	158,190	0
Investment Centre	130,610	443,170	-602,560	-28,780	28,780	0
Estates Management	0	0	0	0	13,760	13,760
Regeneration Projects Team	2,370	1,810	0	4,180	0	4,180
Housing Strategy	50,220	14,700	-100	64,820	-16,730	48,090
Sub total	701,490	1,073,440	-2,008,600	-233,670	69,010	-164,660
Service Total	2,332,790	1,809,770	-4,111,250	31,310	908,930	940,240

STREET SCENE SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
Depot	37,700	85,120	0	122,820	-122,820	0
Depot Support Services	346,110	45,240	0	391,350	-391,350	0
Transport Section	45,320	1,937,450	0	1,982,770	-1,982,770	0
Street Cleansing	994,620	1,969,630	-22,400	2,941,850	-1,575,420	1,366,430
Refuse & Green Waste Collection	1,423,010	2,414,020	-1,724,260	2,112,770	-875,670	1,237,100
Recycling	674,820	430,910	-199,000	906,730	255,330	1,162,060
Environmental Officers	224,880	36,000	0	260,880	-294,650	-33,770
Grounds Maintenance Officers	0	0	0	0	0	0
Formal Parks Client A/c	1,060	96,290	-850	96,500	22,400	118,900
Public Open Spaces Client A/c	0	176,190	-260	175,930	220,640	396,570
Highways Landscape Maint.	0	240,370	0	240,370	3,180	243,550
Housing Landscape Maint.	0	586,860	0	586,860	-586,860	0
Cemeteries Client A/c	0	16,290	-6,250	10,040	2,340	12,380
CRA Landscape Maint. Client	0	192,090	0	192,090	2,860	194,950
Grounds Maint. Trading A/c	538,040	662,510	0	1,200,550	-1,161,260	39,290
Service Total	4,285,560	8,888,970	-1,953,020	11,221,510	-6,484,050	4,737,460

BUDGET 2016/2017

Depot	53,390	84,510	0	137,900	-137,900	0
Depot Support Services	308,040	48,860	0	356,900	-357,380	-480
Transport Section	41,650	1,972,820	0	2,014,470	-2,014,470	0
Street Cleansing	928,560	2,026,320	-38,400	2,916,480	-1,617,360	1,299,120
Refuse & Green Waste Collection	1,373,090	3,015,750	-1,224,260	3,164,580	-1,497,310	1,667,270
Recycling	663,010	452,850	-199,050	916,810	231,200	1,148,010
Environmental Officers	220,520	39,810	0	260,330	-260,330	0
Grounds Maintenance Officers	1,060	0	0	1,060	-1,060	0
Formal Parks Client A/c	0	96,000	-850	95,150	21,870	117,020
Public Open Spaces Client A/c	0	174,340	-260	174,080	210,400	384,480
Highways Landscape Maint.	0	513,060	-261,000	252,060	2,880	254,940
Housing Landscape Maint.	0	580,300	0	580,300	-582,300	-2,000
Cemeteries Client A/c	0	16,030	-6,250	9,780	2,340	12,120
CRA Landscape Maint. Client	0	190,090	0	190,090	3,210	193,300
Grounds Maint. Trading A/c	686,330	752,450	-74,550	1,364,230	-1,412,300	-48,070
Service Total	4,275,650	9,963,190	-1,804,620	12,434,220	-7,408,510	5,025,710

LEGAL & DEMOCRATIC SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2017/2018						
Legal & Member Services	877,750	68,410	-5,500	940,660	-969,970	-29,310
Democratic Representation	1,500	2,800	0	4,300	379,090	383,390
Civic Admin	6,280	355,530	0	361,810	-45,090	316,720
Civic Expenses	1,420	26,600	0	28,020	390	28,410
Civic Ceremonials	0	2,700	0	2,700	170	2,870
Land Charges	0	13,530	-70,790	-57,260	80,290	23,030
Procurement	56,280	3,300	0	59,580	-59,860	-280
Administration Services	157,700	22,620	-10	180,310	-179,120	1,190
Elections	0	2,100	0	2,100	46,740	48,840
Register of Electors	15,660	35,140	-1,500	49,300	85,640	134,940
Service Total	1,116,590	532,730	-77,800	1,571,520	-661,720	909,800

BUDGET 2016/2017

Legal & Member Services	773,890	76,720	-3,500	847,110	-830,410	16,700
Democratic Representation	1,500	2,800	0	4,300	399,910	404,210
Civic Admin	6,240	377,090	0	383,330	-50,110	333,220
Civic Expenses	1,410	26,480	0	27,890	390	28,280
Civic Ceremonials	0	2,690	0	2,690	180	2,870
Land Charges	0	12,800	-70,790	-57,990	83,690	25,700
Procurement	53,420	3,420	0	56,840	-56,620	220
Administration Services	151,230	23,690	-10	174,910	-174,790	120
Elections	0	94,590	0	94,590	42,710	137,300
Register of Electors	15,670	35,240	-1,500	49,410	81,830	131,240
Service Total	1,003,360	655,520	-75,800	1,583,080	-503,220	1,079,860

FINANCE & HUMAN RESOURCES SERVICES

	Employees	Running Expenses	External Income	Cash Total	Support Services & Capital Charges	Net Budget
	£	£	£	£	£	£
BUDGET 2017/2018						
Financial Services	641,100	30,680	-2,300	669,480	-672,940	-3,460
Corporate and Democratic Core	0	82,640	0	82,640	490,160	572,800
Non Distributed Costs	974,340	1,500	0	975,840	0	975,840
Parish Councils	0	61,550	0	61,550	4,850	66,400
Human Resources and Payroll	261,620	92,110	0	353,730	-385,700	-31,970
Service Total	1,877,060	268,480	-2,300	2,143,240	-563,630	1,579,610

BUDGET 2016/2017

Financial Services	641,750	31,280	-2,300	670,730	-671,370	-640
Corporate and Democratic Core	0	85,140	0	85,140	466,100	551,240
Non Distributed Costs	1,058,170	1,500	0	1,059,670	0	1,059,670
Parish Councils	0	68,070	0	68,070	4,720	72,790
Human Resources and Payroll	260,140	90,610	0	350,750	-354,120	-3,370
Service Total	1,960,060	276,600	-2,300	2,234,360	-554,670	1,679,690

APPENDIX C - CONTRACT SAVINGS AND EXIT COSTS

The renegotiation of the Lancashire County Council shared services contract for Revenues Benefits and IT Services is expected to save £320,000 per year from 2017-18 onwards.

Changes to staffing arrangements will generate savings of £149,000, with the balance of £171,000 being achieved through additional income and increased economy.

To deliver £114,000 of these staff savings will require 4 voluntary redundancies to take place. The total exit costs comprising redundancy payments and pension strain for these 4 posts is £234,359, which will involve an average payback period of around 2 years. Details of the exit costs and payback period for each individual is shown below:

	Redundancy	Pension Strain	Total Exit Cost	Payback Period (years)
Individual 1	38,094	1,569	39,663	1.0
Individual 2	34,455	92,155	126,610	3.0 *
Individual 3	22,362	20,826	43,188	1.7
Individual 4	23,539	1,359	24,898	1.0
Total	<u>118,450</u>	<u>115,909</u>	<u>234,359</u>	

The Redundancy and Redeployment policy requires that the financial recovery period of a redundancy should not exceed 3 years and this requirement is met in each of these cases.

* £3,580 of these exit costs will be funded by the contractor to ensure that the payback period meets the 3 year threshold.

