



AGENDA ITEM:

COUNCIL: 13 December 2017

Report of: Chief Executive

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SUBJECT: POLICY OPTIONS

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the set of Policy Options that was deferred for consideration at the previous Council meeting.

2.0 RECOMMENDATION

2.1 That the Policy Option proposals set out in the Appendix be approved, and that the Chief Executive and Heads of Service be given authority to take all necessary action in connection with the implementation of these proposals.

3.0 BACKGROUND

3.1 The Council has been going through an extended period of reducing resources since 2009 primarily as a result of significant reductions in its government grant funding. This has been a period of unprecedented change for the General Revenue Account (GRA) and there is an expectation that savings will continue to need to be made until at least 2020. The current medium term financial forecast projects a budget gap of £1.925m for 2018-19, £0.590m for 2019-20, and £0.210m for 2020-21. In total this would mean reducing the ongoing annual budget requirement by £2.725m by 2020-21.

3.2 In practice there is scope for considerable variation in this type of forecast as many factors cannot be known with certainty at this time and unexpected new developments will occur. However the forecast does give a clear indication of the scale of budget reductions and additional income that will need to be found over the next 3 years, which would be around 13% of overall turnover.

- 3.3 The July Policy options report to Council agreed £0.457m of savings measures for 2018-19 including proposals for staff restructuring, budget streamlining, efficiency improvements and treasury management and procurement savings. At its October meeting, Council then agreed a further £0.176m of savings measures through a senior management restructuring and a review of the Grounds Maintenance and Street Cleansing Services. It was also noted that the income budget for garden waste charges could be increased by £0.140m based on performance in the current year. In total this would provide savings and additional income of £0.773 for 2018-19.
- 3.4 At the October Council meeting 5 policy options were deferred for consideration at a later date and these are set out in the Appendix. Decisions now need to be made on whether to agree these proposals so that there is sufficient time to implement them before the start of the new financial year in April 2018.

4.0 POLICY OPTION DECISIONS

- 4.1 Consultation with residents and stakeholders took place over the Summer so that their views could be taken into account in making decisions on the policy option proposals. The results of this consultation were included in the Policy Options report to October Council, and as a result option OP16 on Reduced Civic Services and Mayoral Role was amended and updated.
- 4.2 The Council is facing a very difficult medium term financial position as are most other local authorities. In addition to the large scale budget gap for 2018/19, the Medium Term Financial Forecast has identified further significant budget gaps in 2019/20 and 2020/21. Consequently once next year's budget position has been agreed there will be further work required to identify significant additional efficiencies, income and savings proposals over the medium term.
- 4.3 Taking this position into account, and considering the consultation results as well as other relevant factors, it is recommended that the policy options contained in the Appendix are approved. In total these proposals would generate additional income and savings of £0.218m in 2018-19, increasing to £0.318m in 2020-21.

5.0 ISSUES

- 5.1 The Policy Option proposals set out in the Appendix would involve the deletion of two posts and the creation of one new post. The maximum anticipated staff exit cost at this time would be £55,680, which could be financed from the Council's Restructuring Fund. The payback period (time for the savings generated by the proposal to match its staff exit costs) would be within 3 years in accordance with Council policy.
- 5.2 There has been a regular dialogue with the Trade Unions and affected staff on policy options in line with best practice and a number of meetings have taken place to discuss these proposals in detail.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 6.1 Every effort will be made through the Policy Option process to minimise the impact of the need to make budget savings on priority areas. Creating a sustainable budget is a priority for all organisations and this report seeks to achieve this.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 7.1 If the proposals in this report are approved it will mean that there will be measures in place to deliver savings and additional income of £0.991m for 2018-19. This will then reduce the value of the budget gap for 2018/19 from £1.925m to £0.934m. Consideration on how this remaining budget gap can be closed will take place through the detailed budget setting process, which will run up until the February 2018 Council meeting when the full budget for 2018/19 will be set. This will include consideration of the £310,000 favourable budget variance for 2016/17, the anticipated £165,000 budget streamlining saving in the current year, and funding from reserves. These sources would however only providing funding on a one off basis for 2018/19 only.
- 7.2 Looking further forward the Medium Term Financial Forecast is projecting a further budget gap of £0.590m for 2019/20, and £0.210m for 2020/21. Consequently consideration will need to be given to how this position can best be addressed going forward.

8.0 RISK ASSESSMENT

- 8.1 The difficult financial position facing the Council is a key risk that is included on the Council's Key Risk Register. The financial scenario facing all local authorities means that "doing nothing" is not an option, and that a large scale package of savings needs to be agreed over a medium term period.
- 8.2 In considering the budget gap for 2018-19 and future years, it is important to recognise that these are projections based on the best available information at the current time using prudent assumptions. However there is scope for considerable variation, and the value and scale of issues identified in the forecast may change and new issues may emerge. However the risk that the final budget position may be worse than the forecast, can be managed by taking funding out of the Budget and Efficiency Savings Reserve if required.

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

A number of these options could have a significant direct impact on members of the public, employees, elected members and / or stakeholders and therefore an equality

impact assessment is required. These assessments have been previously reported to Council where relevant.

Appendix

Appendix – Deferred Policy Options