

Cabinet 19 January 2016 - Agenda Item 9

Budget and Policy Framework Update 2016 to 2020- General Fund Revenue Budget and Capital Programme

Recommendations of Councillor Newman-Thompson:

- 1 That the 2015/16 Revised Budget be referred on to Budget Council for approval, with the net underspending of £503K reducing the in-year call on Balances from £1M to £497K.
- 2 That Council be recommended to approve a City Council tax increase of 1.99% for 2016/17, together with a year on year target of 1.99% for future years, subject to local referendum thresholds.
- 3 That Cabinet approves its initial budget proposals as set out in the following Appendices:

Appendix A: Savings approved for inclusion into the base budget for implementation immediately, using delegated powers.

Appendix B: Savings and limited growth for implementation following approval at Budget Council.

Appendix C: Savings options to be explored further, with detailed reports being considered during 2016/17.

- 4 That the above proposals and the resulting Revenue Budget position and Capital Programme for 2016/17 onwards, as set out at **Appendices D and E** respectively, be referred on to Council for initial consideration as well as being presented for scrutiny at the open meeting of Budget and Performance Panel, in order that feedback can be provided to Cabinet at its February meeting.
- 5 That as a result of the above, it be noted that:
 - once fully implemented, the proposals at Appendix B would generate annual net estimated savings of £2.784M;
 - currently the revenue budget proposals for 2016/17 and 2017/18 are more or less balanced, allowing for a relatively small contribution to Balances in 2017/18, but some significant figures (such as the provisional Settlement) are still subject to change;
 - there is still a need to make cumulative estimated savings of £5.183M over the period 2018 to 2020 (with £2.846M of this ongoing thereafter) from the outline savings options included at Appendix C and any other options to be identified in future budget reviews.

- 6 That the draft Corporate Plan 2016 to 2020 be updated to reflect the above proposals for initial consideration by Cabinet, prior to being referred on to Budget Council, on the basis that the Council's existing priorities of

- Clean, Green and Safe Place
- Health and Wellbeing
- Community Leadership
- Sustainable Economic Growth

be retained but clearly the scope and nature of the activities in support of those priorities is changing and/or reducing, and this will continue in future as the Council strives to balance its budget to 2020.

- 7 That Cabinet supports in principle Government's offer of a four year finance settlement and this principle be reflected within financial strategy, but it be subject to review once the details of the offer are known.
- 8 That at its February meeting Cabinet considers the use of available Reserves and Balances in support of finalising its Budget and Medium Term Financial Strategy (MTFS) proposals to 2020, having regard to the advice of the section 151 Officer and the need to make further substantial savings from 2017/18 onwards, on top of the significant programme of budget savings measures already proposed.

Notes and Conditions to the Savings and Growth Proposals at Appendix B

a. The new charging policies for:

- Splash Park admission
- Event applications
- Green Waste collection
- Electric Car charging points
- Local Elections (Parish and Town Councils)
- Credit Card payments

would be incorporated into the Council's Fees and Charges Policy, with the detailed arrangements for implementation being delegated to the relevant Chief Officer in consultation with the relevant Portfolio Holder/s, and with the agreement of the Chief Officer (Resources).

b. Other changes to existing fees and charges would also be implemented by Chief Officers under existing delegated powers.

c. In implementing (a) and (b) above, Officers would consider the exercising of appropriate discretions and concessions in charging, to help ensure fairness and accessibility of services to all.

d. With regard to CCTV, notice would be given as soon as possible to terminate the relevant services contracts, but within the notice period and prior to actual decommissioning of the equipment any approaches made by organisations interested in taking on the operation (at no cost to the Council) would be appraised and considered.

Cabinet recognises that at a time of Government cuts, this Council cannot continue to provide the existing funding required to maintain and/or renew the existing CCTV system in the Lancaster district from April 2017, but asks Officers to make enquiries with other organisations to see if they may be in a position to get involved in maintaining either an externally staffed or volunteer-led CCTV system.

e. Alongside ceasing winter bedding, the Council would provide an opportunity for others to become involved in the maintenance of flower beds, where operationally practical and appropriate, and would consider providing winter bedding plants to such organisations where reasonable and practical to do so.

f. In reducing (by 50%) the contributions made to parishes in respect of public toilet provision, a review would be undertaken after the first year, to help inform whether any further policy changes should be made from 2017/18 onwards.

g. An evaluation would be required of the pilot for Litter Enforcement Services, ahead of any decision regarding its future beyond 2017/18.

- h. With regard to Community Pools, notice would be given as soon as possible that the City Council is to hand back management responsibility to the County Council, acknowledging that there would be a notice period of up to 12 months. On giving notice, the County Council be encouraged to work with community groups and organisations to help secure the pools' future (at no cost to the City Council).
- i. The Council would withdraw its involvement from the Youth Games from next year. In doing so, it would again invite organisations to take on the role/provide sponsorship (at no cost to the Council).
- j. A review of the staffing needs of the Development Management service is currently being finalised, to determine to what extent a permanent increase in staffing is needed to maintain service and income levels (and so whether the proposal constitutes Investing to Save). Ahead of that review report being issued, the budget proposal is shown simply as growth.
- k. In time the Digital Workplace initiative should represent an Invest to Save initiative, but before any savings can be identified, extra capacity and resources are required to develop future plans and proposals. Therefore, at this stage only the initial up-front investment is provided for, under growth.

Notes to the Savings Options to be Explored Further as set out in Appendix C

- a. A future report on room hire policy is to be considered during next year, to promote greater consistency and transparency, as well as increasing income.
- b. A report on three weekly collection of waste will be prepared. This would be a matter for consideration for much later implementation however, i.e. not before 2019/20 onwards in all likelihood. In addition the financial viability of replacing the current recycling boxes with bins will be appraised.
- c. Options for the funding of Voluntary, Community and Faith Sectors (VCFS) will be considered during next year, to apply from 2017/18 onwards, taking account of statutory consultation needs.
- d. Council Business Committee would be requested to review the Council's civic regalia, to make recommendations on what is essential to keep, what is desirable to keep, and what could be disposed of, in some form. Insurance arrangements would also be reviewed.
- e. Whilst there is commitment to retaining a performance venue in Morecambe, ways to improve the Platform's financial performance (and reduce/negate its net operating costs) will be developed and considered during next year.
- f. A review of the grants provided to the Arts will also be undertaken, to determine options for 2017/18 onwards.
- g. The future of the Maritime and Cottage Museums will be reviewed, alongside moves to encourage the County Council to explore community running of its museums provision (potentially through a Trust), with the aim of securing the museums' future in this district. That said, the aim will be to significantly reduce or negate operating costs of all museums, and mothballing of the Maritime and Cottage Museums will also be an option for consideration.
- h. Options to withdraw or rationalise Visitor Information Centres (VICs) will also be developed.
- i. Public consultation on the Localised Council Tax Support Scheme options for 2017/18 onwards would be undertaken during summer 2016, to meet legal requirements, ahead of a report being considered by Council.
- j. A full report on options for rationalising (reducing) the Council's office accommodation will be produced. Specifically, this will cover Lancaster Town Hall, Morecambe Town Hall, and Palatine Hall. Should disposal of any of these properties be recommended, public consultation would be undertaken regarding their future.

- k. A report on other corporate property disposal (and acquisition) policy will be considered. Under financial strategy, any resulting receipts will be used to reduce the Council's capital financing costs, to generate revenue budget savings.
- l. External advice has been commissioned, to help ascertain whether there is scope to reduce the City Council's pension contribution costs for three-year period from 2017/18 to 2019/20. The outcome of this will be known during next year. The work has been commissioned jointly with various other Lancashire districts.

Additional Comments regarding Potential Budget Options

- m. The concept of a discount/concession card for residents will be explored (potentially to apply to a variety of services), drawing on other authorities' schemes.
- n. As well as the specific reviews mentioned above, there will be the need to ensure that the Council has sufficient capacity to deliver its programme of budget savings measures, and any interim need to boost capacity in the interim will be covered through use of Reserves. In the longer term, however, there is an expectation that support service capacity will need to be reassessed, to reflect further reductions in the Council's service delivery, as well as any increased demands through innovation and commercialisation, for example.