



SUPPLEMENTARY INFORMATION

Budget and Performance Panel

Tuesday, 26 January 2016

| Agenda Item Number | Page | Title |
|--------------------|--------|--|
| 7 | 1 - 45 | BUDGET AND POLICY FRAMEWORK PROPOSALS UPDATE 2016 TO 20 |
| | | The recommendations of Councillor Newman-Thompson, Cabinet Member with responsibility for Finance and Revenues and Benefits, considered at Cabinet on 19 th January 2016, are attached. |

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.

GENERAL FUND REVENUE BUDGET - 2016/17 TO 2019/20

BASE BUDGET CHANGES

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|-----------------|-----------------|-----------------|-----------------|
| | £ | £ | £ | £ |
| BASE BUDGET CHANGES | | | | |
| Environmental Services | | | | |
| Reduce seasonal gardeners' weeks by 5 | (24,500) | (25,000) | (25,500) | (26,000) |
| <i>The number of contracted weeks will reduce to 21. Mowing schedules will not be met for the last 5 weeks of the season, but this will be at a time when typically, grass is growing slowly.</i> | | | | |
| Convert permanent post to seasonal at Williamson Park | (8,100) | (8,300) | (8,500) | (8,700) |
| <i>Recruitment on a part-time basis (22 hours per week) to a currently vacant full time grounds maintenance operative. This will result in a minor reduction in the level of horticultural maintenance.</i> | | | | |
| Creation of a Meerkat enclosure at Williamson Park | (25,500) | (26,000) | (26,500) | (27,000) |
| <i>Development of a meerkat enclosure within the zoo area to continue the growth in visitor numbers and generate additional income for the park.</i> | | | | |
| Use of Vehicles | (10,000) | (15,300) | (15,600) | (15,900) |
| <i>Use of the fleet tracking system to improve the management of the Council's fleet. Savings relate to a reduction in fuel usage levels and car allowances paid.</i> | | | | |
| Deliver HGV driver training in-house | 0 | (1,000) | (1,000) | (1,000) |
| <i>The training is currently delivered by an external company but can be delivered by the Safety Manager in future, following some initial training (£1K cost netted off in 2016/17).</i> | | | | |
| Resources | | | | |
| Printing Review | (2,500) | (12,000) | (14,000) | (16,000) |
| <i>A review of printing needs and habits (and distribution) with education for users on how to reduce printing and when to outsource to secure VFM. (Initial consultancy support of £7.5K netted off in 2016/17).</i> | | | | |
| Mobile Phone Review | (10,000) | (10,200) | (10,400) | (10,600) |
| <i>Review of the use of mobile phones and consolidation of mobile phone contracts.</i> | | | | |
| Multi Functional Devices (MFD) Renewals | (11,500) | (11,700) | (11,900) | (12,100) |
| <i>MFDs are large printing/photocopying/scanning machines located in offices. Replacement & renewal of MFD fleet using a procurement framework.</i> | | | | |
| Reduction in Network Contract | (6,500) | (8,000) | (8,200) | (8,400) |
| <i>Renewing contracts for the ICT connections between buildings, at the same time as increasing the ability for "multi-pathing" to improve resilience / disaster recovery. (Initial £1.5K for consultancy netted off in 2016/17).</i> | | | | |
| Corporate | 0 | 63,300 | 64,200 | 64,800 |
| <i>Estimated Impact of Apprenticeship Levy, from 2017/18 onwards.</i> | | | | |
| TOTAL | (98,600) | (54,200) | (57,400) | (60,900) |

GENERAL FUND BUDGET - 2016/17 TO 2019/20
CABINET'S PROPOSED SAVINGS & GROWTH

Up Front
Investment
/ Cost

| | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Capital |
|---|------------|--------------------|--------------------|--------------------|--------------------|------------------|
| | | £ | £ | £ | £ | £ |
| SAVINGS PROPOSALS (Allowing for estimated inflation) | | | | | | |
| Income Generation | No. | | | | | |
| Environmental Services | | | | | | |
| Charging for Splash Park Admission | 1 | 0 | (56,500) | (57,900) | (59,400) | |
| Charging for Event Applications | 2 | (2,000) | (2,000) | (2,000) | (2,000) | |
| Charter Market | 3 | (2,700) | (2,800) | (2,900) | (3,000) | |
| Festival Market | 3 | (10,000) | (10,200) | (10,400) | (10,600) | |
| Bulky Waste | 3 | (10,000) | (10,200) | (10,400) | (10,600) | |
| Bins and boxes (current policy) | 3 | (9,000) | (9,200) | (9,400) | (9,600) | |
| Extending Charging Policy for bins and boxes (all households) | 4 | (92,300) | (94,100) | (96,000) | (97,900) | |
| Green Waste - charging for Collection | 5 | (505,000) | (870,000) | (887,400) | (905,100) | |
| Electric Car Charging Points - Introduction | 6 | 0 | (10,000) | (10,200) | (10,400) | |
| Governance | | | | | | |
| Local Elections - Charging Cost to Parish Councils | 7 | 0 | 0 | 0 | (14,100) | |
| Health & Housing | | | | | | |
| Disabled Facilities Grant Admin. Fees - Increase to 18% | 8 | (14,400) | (14,700) | (15,000) | (15,300) | |
| Pest Control - Additional Contracts | 9 | 2,500 | (25,000) | (50,000) | (51,000) | |
| HMO Licence Fees - Cease Refunds | 10 | (1,000) | (1,000) | (1,000) | (1,000) | |
| Cemetery Fees - Increase by additional 3% | 11 | (6,900) | (7,000) | (7,100) | (7,200) | |
| Statutory Notices (Housing Act 2004) Fee Increase | 12 | (1,000) | (1,000) | (1,000) | (1,000) | |
| Resources | | | | | | |
| Charging for Credit Card Payments | 13 | 10,000 | (25,000) | (25,000) | (25,000) | |
| <i>Sub Total</i> | | (641,800) | (1,138,700) | (1,185,700) | (1,223,200) | |
| Invest to Save Schemes | | | | | | |
| Health & Housing | | | | | | |
| Salt Ayre Sports Centre - Developer Partnership | 14 | 110,000 | (400,000) | (450,000) | (500,000) | 5,000,000 |
| Resources | | | | | | |
| Corporate Property - Energy Efficiency Works | 15 | (69,700) | (40,100) | (45,400) | (53,000) | 1,376,000 |
| <i>Sub Total</i> | | 40,300 | (440,100) | (495,400) | (553,000) | |
| Service Efficiencies and Reductions | | | | | | |
| Environmental Services | | | | | | |
| Management & Administration Restructure | 16 | (40,000) | (100,000) | (210,000) | (210,000) | |
| Building Cleaning Review | 17 | 0 | (10,000) | (10,100) | (10,200) | |
| CCTV - Termination of Contracts | 18 | 0 | (167,000) | (170,300) | (173,700) | |
| Cease Winter Bedding | 19 | (45,000) | (45,900) | (46,800) | (47,700) | |
| Parish Toilets - 50% Reduction in Contributions | 20 | (14,300) | (14,650) | (14,900) | (15,200) | |
| Litter Enforcement Services - 12 Month Pilot | 21 | (60,000) | (60,000) | ? | ? | |
| Governance | | | | | | |
| Grants to VCFS - LESS Grant Funding Withdrawal | 22 | (4,300) | (4,300) | (4,400) | (4,500) | |
| Health & Housing | | | | | | |
| Community Pools - Termination of Management Responsibility | 23 | 157,800 | (175,500) | (179,000) | (182,600) | |
| Sports Development - Reduction in Service | 24 | (9,300) | (50,500) | (51,500) | (52,500) | |
| International Youth Games - Withdrawal | 25 | (59,700) | (26,800) | (27,300) | (27,800) | |
| Marsh Community Centre - Grant Funding Cessation | 26 | (13,700) | (14,000) | (14,300) | (14,600) | |
| Regeneration & Planning | | | | | | |
| Events - Funding Reductions | 27 | 0 | (22,700) | (23,200) | (23,700) | |
| Resources | | | | | | |
| Finance Section - Restructuring | 28 | (23,300) | (24,300) | (25,400) | (27,100) | |
| Internal Audit - Restructuring | 29 | (21,700) | (21,900) | (22,100) | (22,300) | |
| <i>Sub Total</i> | | (133,500) | (737,550) | (799,300) | (811,900) | |
| Re-Financing Options | | | | | | |
| Capital Programme Financing (MRP) - Policy Update required | 30 | (375,000) | (343,000) | (314,000) | (284,000) | |
| <i>Sub Total</i> | | (375,000) | (343,000) | (314,000) | (284,000) | |
| TOTAL | | (1,110,000) | (2,659,350) | (2,794,400) | (2,872,100) | 6,376,000 |
| GROWTH PROPOSALS | | | | | | |
| Environmental Services | | | | | | |
| Cashless Parking | 31 | 5,000 | 5,000 | 5,000 | 5,000 | |
| Regeneration & Planning | | | | | | |
| Development Management Capacity | 32 | 69,900 | 72,200 | 74,500 | 76,600 | |
| Capital Growth - Capital Financing Costs | | | | | | |
| MAAP - Euston Rd, Marine Rd Central, Queen St, Victoria St. | 33 | 0 | 3,000 | 6,000 | 6,000 | 511,000 |
| Resources | | | | | | |
| Digital Workplace | 34 | 100,000 | ? | ? | ? | |
| TOTAL | | 174,900 | 80,200 | 85,500 | 87,600 | 511,000 |
| NET TOTAL | | (935,100) | (2,579,150) | (2,708,900) | (2,784,500) | |

GENERAL FUND BUDGET - 2016/17 TO 2019/20
SAVINGS OPTIONS TO BE CONSIDERED DURING 2016/17

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|----------|--------------------|--------------------|--------------------|
| | £ | £ | £ | £ |
| Income Generation | | | | |
| Resources | | | | |
| Room Hire Policy | ? | ? | ? | ? |
| <i>Development of a comprehensive Council wide room hire policy, to provide a more consistent and transparent approach whilst seeking to maximise income generation.</i> | | | | |
| <i>Sub Total</i> | 0 | 0 | 0 | 0 |
| Service Efficiencies and Reductions | | | | |
| Environmental Services | | | | |
| Refuse Collection | 0 | 0 | 0 | ? |
| <i>Consideration of moving from fortnightly collections to three weekly across all streams. Also, to consider replacing existing recycling boxes with bins.</i> | | | | |
| Governance | | | | |
| Grants to Voluntary, Community and Faith Sectors (VCFS) | 0 | (257,500) | (262,700) | (267,900) |
| <i>Review of all grants given to the VCFS.</i> | | | | |
| Civic Regalia - Rationalisation | ? | ? | ? | ? |
| <i>Review all Civic Regalia currently held by the Council to identify potential surplus items.</i> | | | | |
| Regeneration & Planning | | | | |
| The Platform - Improve Net Operating Position | ? | (85,300) | (87,000) | (88,700) |
| <i>Review options to improve the current net operating position.</i> | | | | |
| Review of Grants to the Arts | 0 | (217,000) | (221,300) | (225,700) |
| <i>Review of Arts investment currently provided through Service Level Agreements (SLAs).</i> | | | | |
| Maritime / Cottage Museums | 0 | 0 | ? | ? |
| <i>Future of these museums to be reviewed, alongside encouraging the County Council to explore community running of its local museums. Mothballing of Maritime/Cottage Museums also to be considered.</i> | | | | |
| Visitor Information Centres (VIC) Review | ? | ? | ? | ? |
| <i>Review of VIC operations to include consideration of having one centre instead of two or another organisation providing the service.</i> | | | | |
| Resources | | | | |
| Local Council Tax Support Scheme | 0 | (110,000) | (112,000) | (114,000) |
| <i>Consider options to reduce the level of LCTS provided through the Council's scheme for working age claimants, from 2017/18 onwards.</i> | | | | |
| Corporate Property - Disposal Programme (Revenue Impac | ? | ? | ? | ? |
| <i>Review of property portfolio, including identification of disposal opportunities and overall policy .</i> | | | | |
| Corporate Property - Office Rationalisation | ? | ? | ? | ? |
| <i>Review of office accommodation (two Town Hall, and Palatine Hall) with the intention of rationalising property usage to generate savings, through operating more efficiently.</i> | | | | |
| <i>Sub Total</i> | 0 | (669,800) | (683,000) | (696,300) |
| Re-Financing Options | | | | |
| Pension Contributions | 0 | (350,000) | (350,000) | (350,000) |
| <i>Investigation of options to reduce pensions deficit funding contributions and standard contribution rate for 2017/18 to 2019/20, following 2016 Pension Fund Triennial Review. Involves seeking Pension Fund / Actuary agreement to reduce or remove 'prudence margin' from contribution rates, to bring them down to 'best estimate'.</i> | | | | |
| <i>Sub Total</i> | 0 | (350,000) | (350,000) | (350,000) |
| MAXIMUM VALUE OF QUANTIFIED OPTIONS | 0 | (1,019,800) | (1,033,000) | (1,046,300) |

GENERAL FUND REVENUE BUDGET 2015/16 TO 2019/20

As Proposed by Cabinet 19 January 2016

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Original Revenue Budget & Projections | 17,052 | 18,218 | 18,590 | 0 | 0 |
| <i>Allowing for budgeted use of Balances</i> | <i>(1,000)</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| Changes to Budget Projections - <i>Cabinet 01 December</i> | (608) | (1,183) | (1,381) | 18,659 | 18,790 |
| Base Budget Changes after Cabinet 01 December | | | | | |
| Emergency Flood Recovery (unfunded costs) | 35 | 0 | 0 | 0 | 0 |
| HB Admin Grant reduction | 0 | 125 | 162 | 198 | 231 |
| VAT on Search Fees | 5 | 31 | 32 | 32 | 33 |
| Employees / Consultancy / Living Wage Increase | 67 | 107 | 43 | 25 | 26 |
| Income Projections Updated | 8 | (24) | (32) | (39) | (46) |
| Other Minor Net Changes | (10) | 3 | (4) | (4) | (14) |
| Additional Base Budget Changes (see Appendix A) | 0 | (99) | (54) | (57) | (61) |
| Provisional New Homes Bonus changes | 0 | (20) | 243 | 1,122 | 1,291 |
| Cabinet's Savings Proposals (see Appendix B) | 0 | (1,110) | (2,659) | (2,794) | (2,872) |
| Cabinet's Growth Proposals (see Appendix B) | 0 | 175 | 80 | 86 | 88 |
| Reduced Contribution from Balances | 503 | 0 | 0 | 0 | 0 |
| Assumed Contributions to Balances | 0 | 0 | 88 | 0 | 0 |
| Latest Net Revenue Budget Forecast | 17,052 | 16,223 | 15,108 | 17,227 | 17,466 |
| Provisional Finance Settlement: | | | | | |
| Revenue Support Grant | (3,861) | (2,652) | (1,605) | (941) | (200) |
| Retained Business Rates | (5,207) | (5,250) | (5,353) | (5,511) | (5,688) |
| Business Rates - Safety Net Adjustment | | | 401 | 413 | 427 |
| Estimated Collection Fund Surplus | (131) | (60) | 0 | 0 | 0 |
| Current Council Tax Funding Requirement | 7,853 | 8,261 | 8,551 | 11,188 | 12,005 |
| Target Council Tax Requirement <i>(To fit with a council tax increase of 1.99% per year)</i> | 7,853 | 8,259 | 8,551 | 8,851 | 9,159 |
| Estimated Budget Deficit / Savings Requirement | 0 | 2 | 0 | 2,337 | 2,846 |

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|------------------------------|----------------|----------------|----------------|----------------|
| | Impact on Council Tax | | | | |
| <i>Tax Base Projections</i> | 38,500 | 39,700 | 40,300 | 40,900 | 41,500 |
| Band D City Council Tax Rate - MTFS Targets | £203.97 | £208.03 | £212.17 | £216.39 | £220.70 |
| <i>Percentage Increase Year on Year</i> | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| Current Council Tax Projections | £203.97 | £208.09 | £212.17 | £273.52 | £289.29 |
| <i>Percentage Increase Year on Year</i> | 1.99% | 2% | 2% | 22% | 5% |

| General Fund Unallocated Balances | |
|--|--------------|
| | £M |
| Original Projected Balance as at 31 March 2015 | 4.071 |
| Add: 2014/15 Underspend | 0.554 |
| Less: Budgeted Contribution for 2015/16 | (1.000) |
| Add: Current Projected Underspend for 2015/16 | 0.503 |
| Latest Projected Balance as at 31 March 2016 | 4.128 |
| Add: Additional Contribution 2016/17 | 0.000 |
| Add: Additional Contribution 2017/18 | 0.088 |
| Latest Projected Balance as at 31 March 2018 | 4.719 |
| Less: Current Minimum Level | (1.000) |
| Amount Available to Support Budgets 2018/19 onwards | 3.719 |

GENERAL FUND CAPITAL PROGRAMME

As Proposed by Cabinet 19 January 2016

| Service / Scheme | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | | 2019/20 | | | 5 YEAR PROGRAMME | | |
|--|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------------|---------------------|
| | Gross Budget | External Funding | Net Programme | Gross Budget | External Funding | Net Programme | Gross Budget | External Funding | Net Programme | Gross Budget | External Funding | Net Programme | Gross Budget | External Funding | Net Programme | Total Gross Programme | Total External Funding | Total Net Programme |
| Environmental Services | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Allotments | 5,000 | | 5,000 | | | 0 | | | 0 | | | 0 | | | 0 | 5,000 | 0 | 5,000 |
| Vehicle Renewals | 697,000 | | 697,000 | 1,160,000 | | 1,160,000 | 1,584,000 | | 1,584,000 | 994,000 | | 994,000 | 926,000 | | 926,000 | 5,361,000 | 0 | 5,361,000 |
| Vehicle Tracking System | 24,000 | | 24,000 | | | 0 | | | 0 | | | 0 | | | 0 | 24,000 | 0 | 24,000 |
| Bins & Boxes Scheduled Buy-Outs | 21,000 | | 21,000 | 74,000 | | 74,000 | 50,000 | | 50,000 | | | 0 | | | 0 | 145,000 | 0 | 145,000 |
| Car Parks Improvement Programme | 92,000 | | 92,000 | 72,000 | | 72,000 | | | 0 | | | 0 | | | 0 | 164,000 | 0 | 164,000 |
| Middleton Solar Farm Feasibility Study | | | 0 | 30,000 | | 30,000 | | | 0 | | | 0 | | | 0 | 30,000 | 0 | 30,000 |
| Happy Mount Park - Pathway Replacements | | | 0 | 43,000 | | 43,000 | 23,000 | | 23,000 | 23,000 | | 23,000 | 23,000 | | 23,000 | 112,000 | 0 | 112,000 |
| Williamson Park Improvements & Enhancements | 107,000 | 30,000 | 77,000 | | | 0 | | | 0 | | | 0 | | | 0 | 107,000 | 30,000 | 77,000 |
| Health and Housing | | | | | | | | | | | | | | | | | | |
| Disabled Facilities Grants | 600,000 | 600,000 | 0 | 1,168,000 | 1,168,000 | 0 | 783,000 | 783,000 | 0 | 783,000 | 783,000 | 0 | 783,000 | 783,000 | 0 | 4,117,000 | 4,117,000 | 0 |
| Warmer Homes Scheme | 6,000 | | 6,000 | | | 0 | | | 0 | | | 0 | | | 0 | 6,000 | 0 | 6,000 |
| Salt Ayre Sports Centre - Replacements & Refurbishments | | | 0 | 30,000 | | 30,000 | | | 0 | | | 0 | | | 0 | 30,000 | 0 | 30,000 |
| Salt Ayre Sports Centre - Redevelopment (indicative phasing) | | | 0 | 3,000,000 | | 3,000,000 | 2,000,000 | | 2,000,000 | | | 0 | | | 0 | 5,000,000 | 0 | 5,000,000 |
| Regeneration and Planning | | | | | | | | | | | | | | | | | | |
| Toucan Crossing - King Street | 3,000 | | 3,000 | | | 0 | | | 0 | | | 0 | | | 0 | 3,000 | 0 | 3,000 |
| Dalton Square Christmas Lights (Renewal) | 29,000 | | 29,000 | | | 0 | | | 0 | | | 0 | | | 0 | 29,000 | 0 | 29,000 |
| Sea & River Defence Works & Studies | 1,396,000 | 1,393,000 | 3,000 | 3,255,000 | 3,255,000 | 0 | 2,125,000 | 2,125,000 | 0 | 2,125,000 | 2,125,000 | 0 | 1,082,000 | 1,082,000 | 0 | 9,983,000 | 9,980,000 | 3,000 |
| Amenity Improvements (Morecambe Promenade) | 22,000 | 3,000 | 19,000 | 9,000 | | 9,000 | | | 0 | | | 0 | | | 0 | 31,000 | 3,000 | 28,000 |
| Luneside East | 50,000 | | 50,000 | | | 0 | | | 0 | | | 0 | | | 0 | 50,000 | 0 | 50,000 |
| Lancaster Square Routes | 106,000 | 106,000 | 0 | 19,000 | | 19,000 | | | 0 | | | 0 | | | 0 | 125,000 | 106,000 | 19,000 |
| Morecambe TH12: A View for Eric | 429,000 | 324,000 | 105,000 | 647,000 | 489,000 | 158,000 | | | 0 | | | 0 | | | 0 | 1,076,000 | 813,000 | 263,000 |
| MAAP Improving Morecambe's Main Streets | 132,000 | 5,000 | 127,000 | 263,000 | | 263,000 | 1,000 | | 1,000 | | | 0 | | | 0 | 396,000 | 5,000 | 391,000 |
| MAAP Improving Morecambe's Main Streets | 0 | | 0 | 529,000 | 320,000 | 209,000 | 202,000 | | 202,000 | 150,000 | 75,000 | 75,000 | 150,000 | 75,000 | 75,000 | 1,031,000 | 470,000 | 561,000 |
| MAAP Connecting Eric | 158,000 | | 158,000 | | | 0 | | | 0 | | | 0 | | | 0 | 158,000 | 0 | 158,000 |
| Albion Mills Affordable Housing s106 scheme | 40,000 | | 40,000 | | | 0 | | | 0 | | | 0 | | | 0 | 40,000 | 0 | 40,000 |
| King St/Wellington Terrace Affordable Housing s106 Scheme | 90,000 | | 90,000 | | | 0 | | | 0 | | | 0 | | | 0 | 90,000 | 0 | 90,000 |
| Middleton Nature Reserve s106 Scheme | 17,000 | | 17,000 | 4,000 | | 4,000 | | | 0 | | | 0 | | | 0 | 21,000 | 0 | 21,000 |
| Pedestrian/cycle links Sainsbury's Morecambe s106 scheme | 59,000 | | 59,000 | | | 0 | | | 0 | | | 0 | | | 0 | 59,000 | 0 | 59,000 |
| Bold Street Housing Regeneration Site Works | 24,000 | | 24,000 | | | 0 | | | 0 | | | 0 | | | 0 | 24,000 | 0 | 24,000 |
| Chatsworth Gardens | 1,878,000 | | 1,878,000 | | | 0 | | | 0 | | | 0 | | | 0 | 1,878,000 | 0 | 1,878,000 |
| Lancaster District Empty Homes Partnership | 100,000 | | 100,000 | 100,000 | | 100,000 | | | 0 | | | 0 | | | 0 | 200,000 | 0 | 200,000 |
| AONB Vehicle Replacement | 25,000 | | 25,000 | | | 0 | | | 0 | | | 0 | | | 0 | 25,000 | 0 | 25,000 |
| Resources | | | | | | | | | | | | | | | | | | |
| ICT Systems, Infrastructure & Equipment | 376,000 | | 376,000 | 352,000 | | 352,000 | 510,000 | | 510,000 | 310,000 | | 310,000 | 100,000 | | 100,000 | 1,648,000 | 0 | 1,648,000 |
| Corporate Property Works | 2,057,000 | 10,000 | 2,047,000 | 2,564,000 | | 2,564,000 | 1,905,000 | | 1,905,000 | 1,482,000 | | 1,482,000 | | | 0 | 8,008,000 | 10,000 | 7,998,000 |
| Energy Efficiency Works | 0 | | 0 | 1,376,000 | | 1,376,000 | | | 0 | | | 0 | | | 0 | 1,376,000 | 0 | 1,376,000 |
| GENERAL FUND CAPITAL PROGRAMME | 8,543,000 | 2,471,000 | 6,072,000 | 14,695,000 | 5,232,000 | 9,463,000 | 9,183,000 | 2,908,000 | 6,275,000 | 5,867,000 | 2,983,000 | 2,884,000 | 3,064,000 | 1,940,000 | 1,124,000 | 41,352,000 | 15,534,000 | 25,818,000 |
| Financing : | | | | | | | | | | | | | | | | | | |
| Specific Grants and Contributions | 2,471,000 | | | 5,232,000 | | | 2,908,000 | | | 2,908,000 | | | 1,865,000 | | | 15,384,000 | | |
| General Capital Grants | 6,000 | | | 0 | | | 0 | | | 0 | | | 0 | | | 6,000 | | |
| Capital Receipts | 641,000 | | | 370,000 | | | 370,000 | | | 0 | | | 0 | | | 1,381,000 | | |
| Direct Revenue Financing | 234,000 | | | 204,000 | | | 50,000 | | | 0 | | | 0 | | | 488,000 | | |
| Earmarked Reserves | 681,000 | | | 600,000 | | | 280,000 | | | 355,000 | | | 195,000 | | | 2,111,000 | | |
| | 4,033,000 | | | 6,406,000 | | | 3,608,000 | | | 3,263,000 | | | 2,060,000 | | | 19,370,000 | | |
| Increase / Reduction (-) in Capital Financing Requirement (CFR) (Underlying Change in Borrowing Need) | 4,510,000 | | | 8,289,000 | | | 5,575,000 | | | 2,604,000 | | | 1,004,000 | | | 21,982,000 | | |
| TOTAL FINANCING | 8,543,000 | | | 14,695,000 | | | 9,183,000 | | | 5,867,000 | | | 3,064,000 | | | 41,352,000 | | |
| SHORTFALL / SURPLUS (-) | 0 | | | 0 | | | 0 | | | 0 | | | 0 | | | 0 | | |

DETAIL IN SUPPORT OF APPENDIX B
2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

Service: Environmental Services

Service / Policy Area

Environmental Services - Public Realm/Happy Mount Park

Brief Description of Budget Option

To levy a £1 charge for admission for all entrants of the splash park area at Happy Mount Park.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact
 Customer dissatisfaction by introducing a charge for an attraction that is currently free.

Other Impact (Internal / Other Services etc.)

The admission system to be implemented is intended to be cashless and therefore there should be no need to increase staffing. Implementation will require liaison with ICT and Financial Services to ensure the new system is compliant with all network and income management security requirements.

Upfront Investment Needed

Turnstiles, admission terminals, software etc. Renewals of £17,500 would be required every 4 years thereafter.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|--------------|---------------|---------------|---------------|
| Income Projections (net of other costs) | 50,000 | 55,000 | 55,000 | 55,000 |
| Upfront Investment (see above) | -50,000 | | | |
| Total | 0 | 55,000 | 55,000 | 55,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

2

Service: Environmental Services

Service / Policy Area

Environmental Services - Public Realm Events

Brief Description of Budget Option

To levy a charge to contribute to the officer cost of dealing with event applications. The level of charge would need some consideration but could be done on a sliding scale relating to type/size of event.

Proposed Implementation Date

April 2016

Estimated Lead-In

nil

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Could be met with resistance by some event organisers possibly leading to the event not taking place. There needs to be a clear communication plan in place.

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-------------------|--------------|--------------|--------------|--------------|
| Additional Income | 2,000 | 2,000 | 2,000 | 2,000 |
| | | | | |
| Total | 2,000 | 2,000 | 2,000 | 2,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

3

Service: Environmental Services

Service / Policy Area

Environmental Services - Fees & Charges

Brief Description of Budget Option

To apply a further 3.5% inflationary increase in 2016/17 to charges in the following areas :-

- Charter Market pitch fees
- Festival market rents
- Bulky waste collection
- Delivery of replacement bins and boxes

Proposed Implementation Date

April 2016

Estimated Lead-In

nil

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Will be met by resistance from service users/market traders. With regard to bulky waste this could potentially lead to increased levels of fly-tipping in the district.

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|----------------------------|---------------|---------------|---------------|---------------|
| Charter market pitch fees | 2,700 | 2,700 | 2,700 | 2,700 |
| Festival market rents | 10,000 | 10,000 | 10,000 | 10,000 |
| Bulky waste collection | 10,000 | 10,000 | 10,000 | 10,000 |
| Delivery of bins and boxes | 9,000 | 9,000 | 9,000 | 9,000 |
| Total | 31,700 | 31,700 | 31,700 | 31,700 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

4

Service: Environmental Services

Service / Policy Area

Environmental Services - Waste & Recycling

Brief Description of Budget Option

Introduce a delivery charge for replacement and new containers. Currently a subsidised delivery charge is applied only for new dwellings and dwelling with new occupants. The proposal is to apply a subsidised delivery/administration charge for all containers, including replacements (with the exception of damaged containers). The figures below are based on 2014/15 where 3,829 bins (£15 per bin) and 6,773 boxes (£4 per box) were delivered - less an assumed 31% reduction in requests.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Dissatisfaction amongst residents.

Other Impact (Internal / Other Services etc.)

Initial administration and Customer Services burden.

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------------------------|---------------|---------------|---------------|---------------|
| Income Generation | 58,300 | 58,300 | 58,300 | 58,300 |
| Reduction in replacement costs | 34,000 | 34,000 | 34,000 | 34,000 |
| Total | 92,300 | 92,300 | 92,300 | 92,300 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

5

Service: Environmental Services

Service / Policy Area

Environmental Services - Waste & Recycling

Brief Description of Budget Option

Charge for collection of Green Garden Waste Containers. The Controlled Waste Regulations 1992 allows a Collection Authority to make a charge to collect garden waste from domestic properties. However, no disposal charge can be applied. The charge is suggested to be in the region of £30 per container per year.

Proposed Implementation Date

August 2016

Estimated Lead-In

5 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

May impact on tonnage of both green and dry materials and our ability to reach 50% recycling rate by 2020.

Other Impact (Internal / Other Services etc.)

Initial administration and Customer Services burden, setting up payment system and dealing with customer complaints. Further savings would be expected from rescheduling existing rounds from second year of scheme. Potential impact on street cleaning, fly tipping.

Upfront Investment Needed

£75,000

Implementation costs and additional marketing of scheme

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|----------------|----------------|----------------|----------------|
| Additional income (based on 50% take-up of 58,000 properties) | 580,000 | 870,000 | 870,000 | 870,000 |
| Upfront Investment (see above) | -75,000 | | | |
| Total | 505,000 | 870,000 | 870,000 | 870,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

6

Service: Environmental Services

Service / Policy Area

Environmental Services - Electric Car Charging Points

Brief Description of Budget Option

To install electric car charging points in specific car parks within the district and levy a charge for their use by external users. The basis of charging has yet to be considered but it is estimated that the income figures below could be achieved after maintenance and electricity costs are taken into account; conditions of any grant funding would also be addressed, if that route is taken. Should the Council choose to purchase any electric vehicles in future then the points could also be utilised for our own purposes.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Helps promote the use of electric cars which contributes to a cleaner, greener, safe environment.

Other Impact (Internal / Other Services etc.)

Administration of scheme would be met from existing resources.

Upfront Investment Needed

£0

There are currently grants available etc. to cover the installation costs so this may be nil.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-------------------|--------------|---------------|---------------|---------------|
| Additional Income | 0 | 10,000 | 10,000 | 10,000 |
| | | | | |
| Total | 0 | 10,000 | 10,000 | 10,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

7

Service: Governance

Service / Policy Area

Governance - Democratic Services (Elections)

Brief Description of Budget Option

To charge Parish Councils for the costs of the ordinary 4 yearly elections.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Resistance from parishes. May have to raise their precept to cover costs, but long lead in time to allow them to consider this and prepare. Rise in precept may cause discontent from residents in parished areas.

Other Impact (Internal / Other Services etc.)

Recharging/calculating split of costs would take up Elections Manager's time. Chasing payment may take up staff time in finance and elections. These implications are considered manageable, operationally.

Upfront Investment Needed

Explain:

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------------------------|--------------|--------------|--------------|---------------|
| Nomination stage | | | | 6,100 |
| Elections (estimate is a minimum) | | | | 8,000 |
| Total | | | | 14,100 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

8

Service: Health & Housing

Service / Policy Area

Health & Housing - Disabled Facilities Grants

Brief Description of Budget Option

Increase the admin fee charged against Disabled Facilities Grants (DFG). Since 2012 this fee has been set at 15%, at that time the highest amongst all districts in Lancashire. It is proposed to increase the fee charged to 18% in future.

Proposed Implementation Date

April 2016

Estimated Lead-In

n/a

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

The works required for eligible service users on their homes is a statutory duty for the Council and any increase in administration charges would reduce the grant available for service users.

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-------------------------|---------------|---------------|---------------|---------------|
| Admin fee raised to 18% | 14,400 | 14,400 | 14,400 | 14,400 |
| Total | 14,400 | 14,400 | 14,400 | 14,400 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

9

Service: Health & Housing

Service / Policy Area

Health & Housing - Pest Control service (Environmental Health)

Brief Description of Budget Option

Looking back over the last 5 years the average net cost to the council has been £68k excluding central recharges. The pest control service has three income streams: (1) individual on-demand pest treatments for residents/businesses, (2) annual pest contracts for businesses, farms, etc., and (3) ad-hoc jobs such as filthy property hygiene works and sewer rat baiting under contract to United Utilities. Contract services alone are now bringing in £54k p.a. We propose to double this contract service income by working more commercially and substantively operating in South Lakeland area.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months Jan-Mar'16

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Pest infestations carry a range of social and economic impacts to our residents, businesses and visitor economy. Maintaining an effective pest control service whilst increasing income will ensure continued control of pest populations that otherwise would grow largely uncontrollably. It will also prevent the need for increases in costly enforcement action.

Other Impact (Internal / Other Services etc.)

The council's Pest Control service has exceptional (99.7%) customer satisfaction ratings and is very popular. Maintaining this service at a much reduced cost through greater income generation will be publicly well received. Obtaining legal advice on extent of permissible trading and developing the service more commercially will strongly benefit other services.

Upfront Investment Needed

£2,500

This is for professional standard contract materials. Commercial trading legal advice funded from elsewhere.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|---------------|---------------|---------------|---------------|
| Indicative increase pest control contract income reflecting legal advice on the extent of permissible trading | 0 | 25,000 | 50,000 | 50,000 |
| Upfront Investment (see above) | -2,500 | | | |
| Total | -2,500 | 25,000 | 50,000 | 50,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

10

Service: Health & Housing

Service / Policy Area

Health & Housing - Private Sector Housing

Brief Description of Budget Option

Stop refunding HMO licence fees.
 When a licensed HMO changes ownership or ceases to be licensed the fee paid is refunded on a pro-rata basis (a licence runs for 5 years). Many other authorities already adopt a policy of not paying refunds and this is justified by the fact that the fee paid is to cover all the administration costs to prepare and approve the licence in the first instance. Although this situation is not a common event, this small change in policy will, never the less, produce a small amount of savings each year.

Proposed Implementation Date

April 2016

Estimated Lead-In

n/a

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0.00

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------------------------|--------------|--------------|--------------|--------------|
| Non refund of HMO licence fees | 1,000 | 1,000 | 1,000 | 1,000 |
| | | | | |
| Total | 1,000 | 1,000 | 1,000 | 1,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

11

Service: Health & Housing

Service / Policy Area

Health & Housing - Cemeteries

Brief Description of Budget Option

This proposal is to increase all cemetery fees in 2016/17 at a higher rate than the estimated inflationary increase. The estimated additional income is based upon the average income received over the last six years (using the 3 main income headings of sale of graves, interment fees, and sale of memorial plaques).

Proposed Implementation Date

April 2016

Estimated Lead-In

n/a

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Whilst this proposal will increase costs to the bereaved, cemetery fees are a comparatively small element of overall funeral costs.

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0.00

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------------------------|--------------|--------------|--------------|--------------|
| Annual increase plus 3% (rounded) | 6,900 | 6,900 | 6,900 | 6,900 |
| Total | 6,900 | 6,900 | 6,900 | 6,900 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

12

Service: Health & Housing

Service / Policy Area

Health & Housing - Private Sector Housing

Brief Description of Budget Option

Increase charges for the service of statutory notices under the Housing Act 2004. For some time now this charge has been capped at £300 per notice. It is proposed to increase this to £400 which will bring us into line with most of our neighbouring LA's. Although the savings will be minimal, recent changes in legislation means that it is likely that more notices will be issued in the future. It is estimated that 10 notices per year will be issued from 2016/17 onwards. In future, any options for maximising such income will be explored, subject to any legal charging constraints.

Proposed Implementation Date

April 2016

Estimated Lead-In

n/a

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0.00

Explain:

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|--------------|--------------|--------------|--------------|
| Service of 10 notices / yr @ £400 each (additional income) | 1,000 | 1,000 | 1,000 | 1,000 |
| Total | 1,000 | 1,000 | 1,000 | 1,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

13

Service: Resources

Service / Policy Area

Resources - Financial Services

Brief Description of Budget Option

To implement charging for customers who pay for services via credit cards. At present, the Council is charged 1.75% by Visa and MasterCard for every payment made by credit card. On average 16,000 payments are made by credit card at a cost to the Council of £29,000. It has been assumed that the introduction of a charge would result in a switch from credit to debit card payments, therefore, the potential income has been estimated at £25,000.

Proposed Implementation Date

2017/18

Estimated Lead-In

12 months

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Customer dissatisfaction. Payment methods may change.

Other Impact (Internal / Other Services etc.)

Changes will be required to income receipting systems and automated payment processes. Services taking payments from customers either face to face or over the telephone will need to notify customers of the charges.

Upfront Investment Needed

£10,000

Costs will be incurred for consultancy time to amend systems and subsequent testing and training.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------------------------|----------------|---------------|---------------|---------------|
| Annual Income Generated | | 25,000 | 25,000 | 25,000 |
| Upfront Investment (see above) | -10,000 | | | |
| Net Income | -10,000 | 25,000 | 25,000 | 25,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

14

Service: Health & Housing

Service / Policy Area

Health & Housing - Sport & Leisure (Salt Ayre Sports Centre)

Brief Description of Budget Option

A phased programme of developments at Salt Ayre Sports Centre aimed at improving the facilities and offering to the public. This is to be delivered in conjunction with the newly appointed Sport and Leisure Development Partner. The proposals aim to increase the number of customers and therefore income being generated, and will be phased in over the next 2 years.

Proposed Implementation Date

From 2016/17

Estimated Lead-In

6 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Links to the Health & Wellbeing corporate priority by increasing the number of people participating in sports and leisure activities.

Other Impact (Internal / Other Services etc.)

Increased revenue as a result of new developments.

Upfront Investment Needed

£110,000

Total cost of capital works £5M. In addition, there will be an estimated cost of £110K in year 1 as a result of lost income, promotions and marketing and back-filling key posts involved in the development.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--|------------------|------------------|----------------|----------------|
| Capital Investment (Indicative Profiling) | 3,000,000 | 2,000,000 | | |
| Revenue Implications | | | | |
| Additional net income | | 643,000 | 792,000 | 842,000 |
| Cost of financing capital spend | | -243,000 | -342,000 | 342,000 |
| Initial cost (see above) | -110,000 | | | |
| Net Income | -110,000 | 400,000 | 450,000 | 500,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

15

Service: Resources

Service / Policy Area

Resources - Property Group

Brief Description of Budget Option

A programme of energy efficiency works at a number of corporate properties. The initial investment of £1.4M would have a payback of just over 9 years. Works range from boiler replacements, insulation and lighting improvements.

Proposed Implementation Date

From 2016/17

Estimated Lead-In

6 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None.

Other Impact (Internal / Other Services etc.)

Reduced corporate property operating costs; works will be scheduled to minimise operational disruption as far as possible (or to fit with other developments). Over half the savings (£100K) will be achieved at Salt Ayre Sports Centre, £23K at Williamson Park and the remaining £27K at other properties such as Lancaster Town Hall, City Lab, Old Fire Station and Ryelands House.

Upfront Investment Needed

£1,376,000

Total estimated capital cost of programme.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------------------|------------------|---------------|---------------|---------------|
| Capital Investment | 1,376,000 | | | |
| Revenue Implications | | | | |
| Net annual energy saving | 74,600 | 153,200 | 153,200 | 153,200 |
| Annual maintenance cost | -4,900 | 10,000 | 10,000 | 10,000 |
| Annual financing cost | 0 | -103,100 | -103,100 | -103,100 |
| Total | 69,700 | 40,100 | 40,100 | 40,100 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

16

Service: Environmental Services

Service / Policy Area

Environmental Services - Succession Planning

Brief Description of Budget Option

This is provided to give the estimated financial implications of a number of structural changes in line management/admin that are anticipated over the next 4 years. It is expected that some will be as a consequence of retirements etc and some as a consequence of positive managerial action. It is proposed to manage workloads within existing resources albeit with marginal replacement costs where required. In some cases there may also be one-off employment costs.

Proposed Implementation Date

Ongoing

Estimated Lead-In

Nil.

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None.

Other Impact (Internal / Other Services etc.)

In short terms there will be a loss of experience, knowledge.

Upfront Investment Needed

£0

Some employment costs (ER/VR) unknown yet.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------|---------------|----------------|----------------|----------------|
| Revenue Savings | 40,000 | 100,000 | 210,000 | 210,000 |
| | | | | |
| Total | 40,000 | 100,000 | 210,000 | 210,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

17

Service: Environmental Services

Service / Policy Area

Environmental Services - Building Cleaning

Brief Description of Budget Option

To review how building cleaning is delivered to municipal buildings. A full review of cleaning schedules and standards is expected to result in efficiency savings.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None.

Other Impact (Internal / Other Services etc.)

None.

Upfront Investment Needed

£0

None.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------|--------------|---------------|---------------|---------------|
| Revenue savings | 0 | 10,000 | 10,000 | 10,000 |
| | | | | |
| Total | 0 | 10,000 | 10,000 | 10,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

18

Service: Environmental Services

Service / Policy Area

Environmental Services - Public Realm/CCTV

Brief Description of Budget Option

Cease to provide CCTV. Technologically the current system is reaching the point of becoming obsolete and we are faced with several options :-

- no longer provide a public CCTV system
- look at sharing with someone else. There is lots of talk about this but currently no tangible options.
- Invest in the existing system. This will require a one off investment of £150-200K and then the ongoing revenue amount already allocated.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Police are the main recipients of the service. The direct impact of public CCTV is very difficult to actually quantify. Many locations are covered by in-house systems. Many events of note end up on Facebook / YouTube etc as nearly everybody has their device (phone etc) with them, with video recording capabilities.

Other Impact (Internal / Other Services etc.)

None.

Upfront Investment Needed

£0

None.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------|--------------|----------------|----------------|----------------|
| Revenue savings | | 167,600 | 167,600 | 167,600 |
| | | | | |
| Total | | 167,600 | 167,600 | 167,600 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

19

Service: Environmental Services

Service / Policy Area

Environmental Services - Public Realm/Grounds Maintenance

Brief Description of Budget Option

To cease providing winter bedding within the urban core and at Happy Mount Park.

Proposed Implementation Date

April 2016

Estimated Lead-In

4 weeks

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Fallow beds during winter likely to lead to some complaints. Negative impact on Britain-in-Bloom plus unsightly weeds in the winter and spring seasons.

Other Impact (Internal / Other Services etc.)

Impact on plant/training centre which can be managed.

Upfront Investment Needed

| | |
|--|--|
| | |
|--|--|

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|------------------------------------|---------------|---------------|---------------|---------------|
| Savings on materials | 35,000 | 35,000 | 35,000 | 35,000 |
| Savings on utilities | 5,000 | 5,000 | 5,000 | 5,000 |
| Savings on staffing/agency working | 5,000 | 5,000 | 5,000 | 5,000 |
| Total | 45,000 | 45,000 | 45,000 | 45,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

20

Service: Environmental Services

Service / Policy Area

Environmental Services - Public Realm/Public Conveniences

Brief Description of Budget Option

To reduce the amount that the council currently contributes to 6 Parish Councils and a village hall towards the maintenance and running costs of public toilets within their parish. The current contribution is £28,700 per annum. The proposal is to reduce the funding by 50%.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

This would have an adverse impact on Parish Councils and potentially lead to the closure of public toilet blocks in rural areas.

Other Impact (Internal / Other Services etc.)

None.

Upfront Investment Needed

£0

None.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------|---------------|---------------|---------------|---------------|
| Revenue Savings | 14,300 | 14,300 | 14,300 | 14,300 |
| | | | | |
| Total | 14,300 | 14,300 | 14,300 | 14,300 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

21

Service: Environmental Services

Service / Policy Area

Environmental Services - Waste & Recycling

Brief Description of Budget Option

Litter Enforcement Services. Employ an organisation to recruit and manage litter patrol officers (similar to Parking Wardens) to issue on the spot fixed penalty notices for litter and dog fouling offences (EPA 1990) across the district, in streets, parks and open spaces. The FPN's are issued at £80 of which the Council would receive £35 so based on 4 officers issuing 4 FPN's per day (based on 215 working days per year) the additional income below could be achieved. An initial 12 month trial period would be introduced, spread over two years.

Proposed Implementation Date

October 2016

Estimated Lead-In

6 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Promotes cleaner, greener, safe environment. Supports Street Cleaning, but maybe interpreted as oppressive by the public and impact on the council's reputation so would have to be managed sensitively.

Other Impact (Internal / Other Services etc.)

Increase in administration and legal services (chasing up payments) however this is expected to be managed within existing workloads.

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-------------------|---------------|---------------|--------------|--------------|
| Additional Income | 60,000 | 60,000 | ? | ? |
| Total | 60,000 | 60,000 | ? | ? |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

22

Service: Governance

Service / Policy Area

Governance/HR&OD/Partnerships

Brief Description of Budget Option

VCFS (Voluntary, Community and Faith Sector) funding - to withdraw the grant to LESS following their decision to wind up provision of Energy Services from 31 March 2016. This included the Home Energy Advice Services, the outcomes and success measures of which form a significant part of the current contract.

Proposed Implementation Date

April 2016

Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

It is not considered that the community impact will be significant. The funding was a relatively small part of the overall VCFS funding, and as LESS has indicated that it will no longer provide Energy Services, it would not be appropriate to continue the funding. It is anticipated that advice on the availability of grants and managing fuel bills can be provided by the CAB, who already receive a significant amount of VCFS funding.

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0

Explain:

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-----------------------|--------------|--------------|--------------|--------------|
| Withdrawal of Funding | 4,300 | 4,300 | 4,300 | 4,300 |
| Total | 4,300 | 4,300 | 4,300 | 4,300 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

23

Service: Health & Housing

Service / Policy Area

Health & Housing - Sports and Leisure

Brief Description of Budget Option

To hand back the operational responsibilities of the three community pools to Lancashire County Council.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Reduction of swimming provision to general public if the County Council does not continue to operate the pools. Reduced opportunities to learn to swim. Reduced opportunities for people to undertake physical activity.

Other Impact (Internal / Other Services etc.)

Staff - possible transfer to County should they wish to operate the pools, or redundancy costs may apply.

Upfront Investment Needed

£157,800+

Redundancy may be applicable. Figures shown do not include possible pension strain for 3 staff members.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|------------------------------------|-----------------|----------------|----------------|----------------|
| Closure/handing back of Comm Pools | 0 | 175,500 | 175,500 | 175,500 |
| Upfront Investment (see above) | -157,800 | | | |
| Total | -157,800 | 175,500 | 175,500 | 175,500 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

24

Service: Health & Housing

Service / Policy Area

Health and Housing - Sports Development

Brief Description of Budget Option

To reduce the sports development team from 5.5 to 3 full time equivalents, taking into account salary and running cost savings and loss of income from the reduction.

Proposed Implementation Date

April 2016

Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Reduction in community outreach work to nil, losing all contact with community groups, clubs, volunteers and education sector. Reduction in 10,000 annual contacts with people of varying ages and abilities across the district.

Other Impact (Internal / Other Services etc.)

Focus on delivering core programme and holiday activity offer at SASC. VR costs have been calculated and are included below showing the worst case scenario.

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------------------------------|--------------|---------------|---------------|---------------|
| Savings | 38,000 | 50,500 | 50,500 | 50,500 |
| Indicative Voluntary Redundancy Cost | -28,700 | | | |
| Total | 9,300 | 50,500 | 50,500 | 50,500 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

25

Service: Health & Housing

Service / Policy Area

Health & Housing - Sports and Leisure

Brief Description of Budget Option

To withdraw from involvement in the International Youth Games (IYG) held at three of our twin cities and hosted every four years by Lancaster City Council.

Proposed Implementation Date

April 2016

Estimated Lead-In

None

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Withdrawal of opportunities for young people aged from 14 to 16 to take part in sporting and cultural (dance / music) activities with council twin cities - Almere, Rendsburg and Aalborg. Similarly for Lancaster to no longer host the IYG.

Other Impact (Internal / Other Services etc.)

Reduction in officer time primarily from Sport and Leisure but also Property, ICT and Democratic Services when hosting the IYG.

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|----------------------|---------------|---------------|---------------|---------------|
| Annual Budget | 11,800 | 11,800 | 11,800 | 11,800 |
| Reserve contribution | 15,000 | 15,000 | 15,000 | 15,000 |
| Reserve balance | 32,900 | | | |
| Total | 59,700 | 26,800 | 26,800 | 26,800 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

26

Service: Health & Housing

Service / Policy Area

Health & Housing - Sports and Leisure

Brief Description of Budget Option

Do not renew the Service level agreement (SLA) to the Marsh Community Centre on termination of the current SLA on 31st March 2016.

Proposed Implementation Date

April 2016

Estimated Lead-In

None

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

The SLA funds project workers to deliver sessions for young people at the community centre several evenings per week. The sessions are not specifically related to sport or physical activity but are around engagement of young people in the community, volunteering, facilitating access training or employment etc. Without the funding these sessions may have to cease. The reduction in this type of outreach is consistent with the proposed reduction in the sports development service whereby outreach type work will cease in favour of focussing on the core offer for young people at SASC.

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------|---------------|---------------|---------------|---------------|
| Grant | 13,700 | 13,700 | 13,700 | 13,700 |
| | | | | |
| Total | 13,700 | 13,700 | 13,700 | 13,700 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

27

Service: Regeneration & Planning

Service / Policy Area

Regeneration and Planning, Economic Development - Organised Events

Brief Description of Budget Option

Reduce funding for events to which the Council still makes a financial contribution. These include brass bands in Happy Mount Park, plus reduction in funding for 2 major festivals per annum, namely Vintage by the Sea (Morecambe) and Light Up/Fireworks (Lancaster). Review of festivals and events currently underway.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Expectation that events will continue to run in future, with sponsorship and other support etc, but potentially affects scale of events, visitor numbers, economic impact etc. After the reductions, the Council will continue to provide specific funding of £2K for Catch the Wind Festival, £3K for Brass Bands, £10K for Vintage by the Sea and £12K for Lancaster Fireworks (as may be added to from other marketing/ arts budgets, for the wider Light Up Lancaster event).

Other Impact (Internal / Other Services etc.)

None.

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------------|--------------|---------------|---------------|---------------|
| Brass Bands | 0 | 700 | 700 | 700 |
| Vintage By the Sea | 0 | 10,000 | 10,000 | 10,000 |
| Fireworks/LUL | 0 | 12,000 | 12,000 | 12,000 |
| Total | 0 | 22,700 | 22,700 | 22,700 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

28

Service: Resources

Service / Policy Area

Resources - Financial Services

Brief Description of Budget Option

Review the staffing requirements within accountancy, procurement, risk management and insurance, and exchequer. Staff resources within accountancy and procurement need to be increased to meet the demands of services and also meeting the shorter statutory deadline for closure of accounts for 2017/18. This is offset by a reduction in the number of posts within exchequer which have become vacant through natural wastage. Overall there is a net saving.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months (from Jan)

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None.

Other Impact (Internal / Other Services etc.)

Improved provisional of support, advice and financial management training to all services. The increase in resources in accountancy specifically will ensure we meet statutory deadlines.

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|------------------------|---------------|---------------|---------------|---------------|
| Net reduction in posts | 23,300 | 23,300 | 23,300 | 23,300 |
| | | | | |
| Total | 23,300 | 23,300 | 23,300 | 23,300 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

29

Service: Resources

Service / Policy Area

Internal Audit and Assurance

Brief Description of Budget Option

Restructuring of the Internal Audit section from current 3.81 FTE posts to 3.0 FTE posts. Includes a reappraisal and realignment of the services and activities provided by Internal Audit staff and recognises additional workload and resource pressures generated by the introduction of the shared Corporate Fraud Team, the establishment an Information Governance function and adoption of a corporate role in Risk Management. This is essentially a service reduction, but proposes some elements of efficiency in the future in relation to the development of a corporate assurance framework and more targeted IA and assurance work.

Proposed Implementation Date

April 2016

Estimated Lead-In

1 Month

Nature of Option

Efficiency Saving Service Reduction Income Generation Other Specify above

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

No direct community impact. Potential for an impact on the expectations and workload of other external assurance providers, e.g. the External Auditor.

Other Impact (Internal / Other Services etc.)

The impact on levels of assurance will be a matter for the Audit Committee to consider on behalf of full Council. Additional pressure on IA officers to adopt new approaches to their work, develop new skills and work more efficiently. The option may require whole or partial transfer of some current activities to elsewhere in the organisation.

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|-------------------------|---------------|---------------|---------------|---------------|
| Staffing (incl Oncosts) | 21,700 | 21,700 | 21,700 | 21,700 |
| | | | | |
| Total | 21,700 | 21,700 | 21,700 | 21,700 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

30

Service: Resources

Service / Policy Area

Resources - Corporate (Minimum Revenue Provision)

Brief Description of Budget Option

The charge to revenue (Minimum Revenue Provision) in respect of capital expenditure incurred prior to 2008 is currently based on a 4% annual charge. However, latest guidance does allow for the charge to be matched to the life of the asset, up to a maximum of 60 years. A review of all relevant expenditure and asset lives has been undertaken resulting in the savings shown below. This proposal is in accordance with Government guidance, however, regulations require an amendment to the Council's Treasury Management Strategy to reflect the change. This will be reported to Budget Council for approval in March.

Proposed Implementation Date

April 2016

Estimated Lead-In

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None

Other Impact (Internal / Other Services etc.)

None

Upfront Investment Needed

£0

None

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---------------|----------------|----------------|----------------|----------------|
| Annual saving | 375,000 | 343,000 | 314,000 | 284,000 |
| | | | | |
| Total | 375,000 | 343,000 | 314,000 | 284,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

31

Service: Environmental Services

Service / Policy Area

Environmental Services/Public Realm - Off Street Car Parking

Brief Description of Budget Option

To continue offering a cashless parking service to customers following the current 12 month trial.

Proposed Implementation Date Estimated Lead-In

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Supports developments in cashless parking allowing more user friendly and market driven payment options.

Other Impact (Internal / Other Services etc.)

Minimal. The supplier provides a fully hosted web based system which meets industry standard security requirements and includes full management and operational information.

Estimated Costs (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------------------------------|--------------|--------------|--------------|--------------|
| Additional Expenditure (Hosting Fee) | 5,000 | 5,000 | 5,000 | 5,000 |
| | | | | |
| Total | 5,000 | 5,000 | 5,000 | 5,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

32

Service: Regeneration & Planning

Service / Policy Area

Development Management

Brief Description of Budget Option

Increasing workload in business area associated with economic recovery. Steady increase in fee income from planning fees and major planning applications. Additional income from charging for pre application advice. Proposal is to make two temporary posts permanent to address workload issues and ensure additional income levels are maintained.

Proposed Implementation Date April 2016

Estimated Lead-In None

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Ability to reinvest in service delivery to maintain performance in making of planning decisions and restore a realistic caseworker/casework ratio. Improvement in customer service expectations and reputation for inward investment. The council is now subject to national performance measurement targets with potential sanctions. Improved housing delivery will also benefit the council through New Homes Bonus.

Other Impact (Internal / Other Services etc.)

Currently budgeting for increased fee income of £200K per annum, however if the posts are not made permanent there is a significant risk that this could reduce by £100K.

Estimated Costs (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|------------------------------------|---------------|---------------|---------------|---------------|
| Permanent establishment of 2 posts | 69,900 | 69,900 | 69,900 | 69,900 |
| | | | | |
| Total | 69,900 | 69,900 | 69,900 | 69,900 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

33

Service / Policy Area

Regeneration and Planning

Brief Description of Budget Option

Morecambe Area Action Plan (Capital project) - Euston Road & New Town Square / Marine Road Central / Queen Street & Pedder Street / Victoria Street.

Benefits include - pavement renewal, wayfinding, new LED lighting, new street furniture, higher specification materials and improved parking.

All MAAP proposals to be treated as one programme to enable delivery flexibility in working with the County Council. It should be noted that this growth proposal is dependent upon the County Council approving their highways budget allocations for these schemes, and for section 106 agreements being agreed in relation to Marine Road Central and Town Centre wayfinding elements.

Proposed Implementation Date

October 2016

Estimated Lead-In

6 months

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

Improving key pedestrian area and creating key public space as set out in the Morecambe Area Action Plan. Will support private investment by owners of Arndale Centre and English Lakes, and improve the setting for further investment and trading at the heart of the town centre.

Other Impact (Internal / Other Services etc.)

No additional impact for existing maintenance budgets as will be easier to clean environment, easier maintenance, de-cluttered environment, less scope for anti-social activities. Would support plans to better manage on-street parking and better integrate the seafront with the town centre. Improve setting for trading to assist business and job growth.

Estimated Costs (excluding inflation)

| Capital costs | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|----------------|----------------|---------------|---------------|
| Total Expenditure (including Engineers Fees) | 529,000 | 202,000 | 150,000 | 150,000 |
| County Council funding | -320,000 | 0 | 0 | 0 |
| S106 Public Realm Funding | 0 | -50,000 | -75,000 | -75,000 |
| Net Total (City Council Growth) | 209,000 | 152,000 | 75,000 | 75,000 |
| Note: Associated MRP Implications on GF Revenue Budget | 0 | 3,000 | 6,000 | 6,000 |

2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

34

Service: Resources

Service / Policy Area

ICT (Information and Communications Technology)

Brief Description of Budget Option

Research into improvements and efficiencies that can be made through exploiting the digital workplace. Review all Services' needs and what they are trying to achieve and fit the use of digital to these. This makes use of business processing re-engineering and systems analysis skills available within the current ICT team.

Proposed Implementation Date 2016/17Estimated Lead-In

Nature of Option

 Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

More modern services

Other Impact (Internal / Other Services etc.)

Reductions in time wasted on non-value adding processes

Upfront Investment Needed

£100,000

Explain: Back-fill for ICT resources. Software tools.

Estimated Savings (excluding inflation)

| | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|--------------------------------|----------------|--------------|--------------|--------------|
| Upfront Investment (see above) | 100,000 | ? | ? | ? |
| | | | | |
| Total | 100,000 | ? | ? | ? |