



SUPPLEMENTARY INFORMATION

Cabinet

Tuesday, 17 January 2017

Agenda Item Number	Page	Title
8	1 - 25	BUDGET & POLICY FRAMEWORK UPDATE 2017-21 - GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME – RECOMMENDATIONS OF COUNCILLOR WHITEHEAD

Cabinet 17 January 2017 - Agenda Item 8
Budget and Policy Framework Update 2017 to 2021-
General Fund Revenue Budget and Capital Programme

Recommendations of Councillor Whitehead:

- 1 That the 2016/17 Revised Budget be referred on to Budget Council for approval, with the net overspending of £39K being met by reducing the in-year contribution to Balances from £56K to £17K.
- 2 That Council be recommended to approve a City Council tax increase of £5 for 2017/18, together with a year on year target of £5 for future years, subject to local referendum thresholds.
- 3 That Cabinet approves its initial budget proposals as set out in the following Appendices:

Appendix 1: Savings and growth for implementation following approval at Budget Council.

Appendix 2: Savings and growth options to be developed and considered during 2017/18, to inform corporate planning, prioritisation and budget setting for 2018 to 2022.
- 4 That the above proposals and the resulting Revenue Budget position and Capital Programme for 2017/18 onwards, as set out at ***Appendices 3 and 4*** 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 drawing on the above, it be noted that:
 - currently the revenue budget proposals for 2017/18 are balanced, allowing for a net contribution to earmarked reserves in next year, but some key figures (such as the provisional Settlement) are still subject to change;
 - there is still a need to make estimated savings of £414K in 2018/19, rising to £2.117M by 2020/21,
 - the planned local government finance reforms scheduled for 2020 create huge uncertainties, and it is essential that the Council develops its understanding and monitors the potential implications in order that it can respond positively and appropriately, as Government's plans become clearer.
- 6 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 2021, having regard to the advice of the section 151 Officer.

Notes to the Savings and Growth Proposals at Appendix 1

- a. In line with the approved budget strategy, Cabinet is taking a two-stage approach to budget development, to help achieve financial sustainability over the medium term. In doing so it has focused on :
 - putting forward readily implementable efficiency savings and income generation options for 2017/18;
 - keeping growth to a minimum, linked to covering statute-backed needs; and
 - identifying other potential savings and growth options to feed into a much more fundamental review of the Council's services, priorities and resource allocation to be commenced in April 2017, to inform corporate planning and budget setting for 2018 to 2022.
- b. Ahead of next year's review, Cabinet considers that there is an urgent need to help progress the development, co-ordination, promotion and delivery of future Economic Strategy, and this should take priority now. Accordingly, at its February meeting, Cabinet will allocate at least £500K of earmarked reserves specifically for this purpose, with the use of such a reserve being the subject of a report to Cabinet early in the new financial year. This is provided for as growth within Cabinet's proposals.
- c. In terms of other growth, reasonable assumptions have been made that some budget proposals will be cost neutral, although for the pilot to help tackle Anti-Social Behaviour (ASB), this is dependent upon the success of an external funding bid. In the event that it is not successful, it is proposed that earmarked reserves be used instead. The ASB pilot is subject to an interim evaluation after 12 months (and then as part of the 2019/20 budget process, ahead of any decision regarding its future).
- d. With regard to Community Pools, any growth need cannot yet be quantified as further information is awaited. The position will be updated prior to Cabinet submitting its final proposals to Budget Council on 01 March. It is proposed that any growth need would be met from reserves.
- e. For CCTV, to allow more time to explore whether the scheme can and should be redesigned at no or little cost to the Council, an extension of the current scheme to September 2017 is provided for, at an estimated one-off cost of £50K.
- f. Beyond 2017/18 all other growth proposals are to be met from a combination of reserves and the need for services to make compensating ongoing savings. For example, property growth is to be covered through future property rationalisation savings, and accountancy growth is to be covered through finance-driven savings (be they income related or efficiency/modernisation measures).

- g. The review of provisions, reserves and balances to be undertaken by the s151 Officer will take account of the above, as well as the need to ensure sufficient resources are available to undertake any up-front development and feasibility work associated with the Council's existing commitments and other potential budget proposals outlined at Appendix 2.
- h. In terms of savings, any new charging policies associated with the budget proposals would be incorporated into the Council's Fees and Charges Policy as appropriate, with the detailed arrangements for implementation being delegated to the relevant Chief Officer, with the agreement of the relevant Portfolio Holder/s and the Chief Officer (Resources).

GENERAL FUND REVENUE BUDGET - 2017/18 TO 2020/21

SUMMARY OF SAVINGS AND GROWTH PROPOSALS - CABINET 17 JANUARY 2017

		2017/18	2018/19	2019/20	2020/21
		£	£	£	£
PHASE 1 - 2017/18 SAVINGS AND GROWTH PROPOSALS					
SAVINGS PROPOSALS					
EFFICIENCY SAVINGS	No.				
Environmental Services					
Street Cleaning - working pattern (overtime saving)	1	(60,000)	(80,000)	(80,800)	(81,600)
		(60,000)	(80,000)	(80,800)	(81,600)
INCOME GENERATION					
Environmental Services					
Kingsway overspill car park (incl £15K upfront cost in 17/18 funded from reserves)	2	7,000	(10,200)	(10,400)	(10,600)
Health & Safety Training (to external clients)	3	1,000	(6,000)	(12,200)	(12,400)
Health & Housing					
Increase burial charges for out of district residents	4	(13,000)	(13,300)	(13,600)	(13,900)
Increased charge for ashes internment	5	(5,500)	(5,600)	(5,700)	(5,800)
3% increase in cemetery fees	6	(7,900)	(8,100)	(8,300)	(8,500)
"Safer Food Direct" service	7	(3,000)	(3,100)	(3,200)	(3,300)
Regeneration & Planning					
Pre-application advice fee schedule changes	8	(39,500)	(44,700)	(45,800)	(46,900)
Resources (Property Group)					
Review of room hire policy	9	(13,000)	(13,300)	(13,600)	(13,900)
		(73,900)	(104,300)	(112,800)	(115,300)
TOTAL SAVINGS		(133,900)	(184,300)	(274,400)	(278,500)

REDIRECTION OF RESOURCES OR "GROWTH"					
STATUTORY BASED GROWTH	No.				
Governance - Democratic					
Parishes Review	10	10,000	25,000	-	-
Regeneration & Planning					
Temporary conservation assistant post	11	16,300	22,900	6,000	0
Resources (Financial Services)					
Accountancy capacity	12	43,400	50,200	51,900	0
		69,700	98,100	57,900	0
OTHER PROPOSALS					
Environmental Services					
Extension of CCTV (to September 2017)	13	50,000	-	-	-
Health & Housing					
Community Pools	-	TBC	-	-	-
Pest Control Operative post (budget neutral)	14	0	0	0	0
Anti-Social Behaviour Team (budget neutral)	15	0	0	0	-
Regeneration & Planning					
Canal Corridor North Project Officer	16	29,200	40,500	42,100	44,000
Empty Homes Officer (budget neutral)	17	0	0	0	0
Resources (Property Group)					
Property Service Restructure	18	23,600	37,100	0	0
		102,800	77,600	42,100	44,000
SUPPORT FOR ECONOMIC GROWTH					
Regeneration & Planning					
Creation of Earmarked Reserve		500,000	-	-	-
TOTAL COST		672,500	175,700	100,000	44,000

See attached sheets for more detail. Note that the above estimates now include an allowance for inflation (the individual sheets currently do not, but will be updated in due course).

Service:

Service / Policy Area

Public Realm - Clean, Green and Safe Places

Brief Description of Budget Option

Street Cleaning overtime - the working pattern of the current workforce is Monday to Friday and weekend schedules are supplemented through overtime. The proposal is to change the existing employees contracts to working 5 days out 7 day thus giving the flexibility to utilise the workforce at the weekend at no extra cost.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)

A more flexible presence will provide benefits for businesses, residents and visitors to the district.

Other Issues – e.g. Impact on internal services, potential risks etc.

Some residual overtime would still be expected to cover peak demands e.g leaf clearance however schedules are being reviewed to minimise this.

Up-front Investment Needed (provide details below) Amount:

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Overtime Savings - Street Cleaning	-£ 60,000	-£ 80,000	-£ 80,000	-£ 80,000
Total	-£ 60,000	-£ 80,000	-£ 80,000	-£ 80,000

Service:

Service / Policy Area

Public Realm - Sustainable Economic Growth

Brief Description of Budget Option

To incorporate the former Kingsway Overspill Car Park next to Bridge End Depot into the public car parks portfolio to provide a managed car park with an appropriate level of parking charges aimed at shoppers and leisure users.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)

Supports the corporate priority of Sustainable Economic Growth. The proposal would be included in the Annual Fees and Charges 2017/18 Cabinet report and stakeholders would be consulted.

Other Issues – e.g. Impact on internal services, potential risks etc.

The proposal would be introduced within service, Lancashire County Council has been consulted and the appropriate notices or Amendment Order would be published or introduced through Legal Services. Other administrative and enforcement arrangements would be incorporated into existing operational arrangements and managed within current budgets.

Up-front Investment Needed (provide details below) Amount:

Some improvement works are required and the installation of a power supply, signage and pay and display machine is required.

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Additional Income	-£ 8,000	-£ 10,000	-£ 10,000	-£ 10,000
Initial costs	£ 15,000			
Total	£ 7,000	-£ 10,000	-£ 10,000	-£ 10,000

Service:

Service / Policy Area

Safety - Sustainable Economic Growth

Brief Description of Budget Option

To assess the viability of providing Health & Safety training to external clients including other local authorities and private business.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)

New area of business potentially impacting on local competition.

Other Issues – e.g. Impact on internal services, potential risks etc.

This would utilise the time of an existing staff member which could potentially result in a shortfall to the available resources currently being dedicated to the safety levels across the Council. However, this could be addressed by introducing this proposal in phases whilst reviewing the impact on service needs.

Up-front Investment Needed (provide details below) Amount:

Investment required in new material (e.g. DVD's and flipcharts) to provide a professional service.

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Additional Income		-£ 6,000	-£ 12,000	-£ 12,000
Total	£ 0	-£ 6,000	-£ 12,000	-£ 12,000

Service:

Service / Policy Area
 Cemeteries Service

Brief Description of Budget Option
 The Council does not charge additional fees for the burial of persons who, at the time of death, do not reside in our district. Most councils charge at double the normal rate. It is proposed that the council introduce 'doubled up' charges (across the range of interment fees) from 01 April 2017. It is estimated that there will be 15 adult burials and 20 ashes interments a year. This would equal £654 per burial and £157 per ashes interment. In some cases extra income may be made by the sale of 'Exclusive Rights of Burial', but this has not been incorporated in this proposal as it cannot be guaranteed.

Proposed Implementation Date Estimated Lead-In

Nature of Option
 Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)
 Although this proposal will increase costs to the bereaved, it is not anticipated the number of interments will significantly decrease.

Other Issues – e.g. Impact on internal services, potential risks etc.
 None.

Up-front Investment Needed (provide details below) Amount:
 None.

Estimated Costs/(-)Savings/(-)Income (excluding inflation)				
	2017/18	2018/19	2019/20	2020/21
Additional Income	-£ 13,000	-£ 13,000	-£ 13,000	-£ 13,000
Total	-£ 13,000	-£ 13,000	-£ 13,000	-£ 13,000

Service:

Service / Policy Area

Cemeteries Service

Brief Description of Budget Option

An increase is proposed for the cost of providing an ashes interment but this will remain considerably below the minimum level charged by Lancaster Crematorium. The overall council fee for this service is made up of several elements so it is proposed to increase, in isolation, the fee for a Granite Memorial by £136 (rounded down). The number of interments is estimated at 40 per year.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)

Although this proposal will increase costs to the bereaved, it is not anticipated the number of ashes interments will significantly decrease.

Other Issues – e.g. Impact on internal services, potential risks etc.

None.

Up-front Investment Needed (provide details below) Amount:

None.

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Additional Income	-£ 5,500	-£ 5,500	-£ 5,500	-£ 5,500
Total	-£ 5,500	-£ 5,500	-£ 5,500	-£ 5,500

Service:

Service / Policy Area

Cemeteries Service

Brief Description of Budget Option

The council's fees and charges are increased each year in April. This includes all Cemetery fees. This proposal is to increase all cemetery fees by an additional 3% on top of the annual general increase.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)

Although this proposal will increase costs to the bereaved, it is not anticipated the number of interments will significantly decrease.

Other Issues – e.g. Impact on internal services, potential risks etc.

None

Up-front Investment Needed (provide details below) Amount:

None.

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Additional Income	-£ 7,900	-£ 7,900	-£ 7,900	-£ 7,900
Total	-£ 7,900	-£ 7,900	-£ 7,900	-£ 7,900

Service:

Service / Policy Area

Environmental Health - Food & Safety team (Health policy area)

Brief Description of Budget Option

Cornwall Council has developed a range of innovative products under the umbrella name 'Safer Food Direct'. These offer local authority business regulatory expertise in a commercial, discretionary offer (over and above the help already provided by councils) in the interests of protecting consumers, supporting and advising individual local businesses, and more broadly to promote local economic confidence and growth.

This proposal is that we introduce Cornwall's 'Safer Food Direct' services and make good income-generating use of expert business advice and support on regulatory and technical food safety matters to commercial food businesses:

1. New business start-up advice and support.
2. Pre-inspection 'audit' advice and support.

These services would aim to help businesses to gain or retain a published full 'five-rating for food hygiene, helping them to attract more customers.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)

Closer working with businesses. Greater buy-in and motivation for food safety compliance. Income from discretionary chargeable business advice & support services over and above our continuing regulatory service delivery. Note: Piloting underway and due to be completed by 31st March 2017.

Other Issues – e.g. Impact on internal services, potential risks etc.

Conflict of interest managed through a firm operational policy.

Up-front Investment Needed (provide details below) Amount:

Licensing costs of £2k per year are expected to be waived in view of the council's special collaborative partner status with Cornwall Council.

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Income	-£ 3,000	-£ 3,000	-£ 3,000	-£ 3,000
Total	-£ 3,000	-£ 3,000	-£ 3,000	-£ 3,000

Service:

Service / Policy Area

Development Management

Brief Description of Budget Option

(a) Revisions to the existing pre-application advice fee schedule, including the introduction of a new tier of pre-application advice (to be known as level three advice)
 (b) Two new chargeable elements are also sought – the introduction of fees for separate heritage-related advice (advice from the Council’s Conservation Officers regarding works to listed buildings, works within conservation areas and works within areas of article 4 direction); and the introduction of a new post-application meeting charge (to assist applicants and developers with discharging planning conditions or addressing reasons for refusal).

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan) Pre-

Application advice is already charged; those affected by the changes to the suggested pre-application advice system will be planning applicants and developers.

Other Issues – e.g. Impact on internal services, potential risks etc.

(a) There will be a time-element impact here for Members, regarding the (relatively few) level three pre-application proposals that would be received per year. It is envisaged that a small group of Members (provisionally identified as those who attend Monthly Planning Briefing, which is one Member per political group represented on Planning Committee) would be required to attend a pre-application presentation by the developer
 (b)The impact of charging for heritage advice will be likely to result in a much-needed reduction in the number of (currently) non-fee earning queries for the Council’s Conservation Officers. By offering a new opportunity for all parties to discuss planning conditions and reasons for refusal, the workload of the 2 Planning Enforcement Officers may witness a modest fall.

Up-front Investment Needed (provide details below) Amount: £ 0

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Additional Income	-£ 39,500	-£ 43,700	-£ 43,700	-£ 43,700
Total	-£ 39,500	-£ 43,700	-£ 43,700	-£ 43,700

Service:

Service / Policy Area

Property Services - room hire

Brief Description of Budget Option

To undertake a review of the room hire policy, with a view to promoting greater consistency and transparency, as well as increasing the current level of income generated.

Proposed Implementation Date Estimated Lead-In

Nature of Option

Efficiency Saving Service Reduction Income Generation Other *Specify above*

Service Impact – External/Community Impact (including impact on Corporate Plan)

A review of the policy is aimed at promoting greater consistency and transparency for customers, as well as increasing income.

Other Issues – e.g. Impact on internal services, potential risks etc.

There is a risk that if charges are increased too much it could result in fewer customers. The review therefore needs to ensure charges are competitive. and the packages offered are attractive.

Up-front Investment Needed (provide details below) Amount:

None.

Estimated Costs/(-)Savings/(-)Income (excluding inflation)

	2017/18	2018/19	2019/20	2020/21
Additional income	-£ 13,000	-£ 13,000	-£ 13,000	-£ 13,000
Total	-£ 13,000	-£ 13,000	-£ 13,000	-£ 13,000

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**2017 to 2021 BUDGET PROCESS – BUDGET OPTIONS
 (REDIRECTION/GROWTH)**

Service:

Service / Policy Area

DEMOCRATIC SERVICES : ELECTIONS TEAM - COMMUNITY GOVERNANCE REVIEW

Brief Description of Budget Option

To carry out a community governance review (CGR) of the whole district in 2017-2019. This would start in September 2017 and take 12 months, being ready for implementation in April 2019. A CGR is an opportunity for a principal council such as Lancaster City Council to consult with residents to review and make changes to the parish and town councils ('community governance') in its area and consider creating new parish and/or town councils.

The power to undertake these reviews is set out in Section 100 of the Local Government and Public Involvement in Health Act 2007 and Section 100(4) of the Act requires the Council to have regard to guidance issued in 2010 by the Secretary of State and the Local Government Boundary Commission for England which states that it is good practice for a principal Council to undertake a review every 10-15 years. The Act came into force almost nine years ago and the Council has not yet carried out a full review, although community governance reviews have been undertaken to set up Morecambe Town Council (2008) and Aldcliffe with Stodday Parish Council (2016). Officers feel it is now time for a full review, as interest has been expressed in forming a Parish Council for Heysham and this seems an ideal time, with no major elections planned for 2018.

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

The bulk of the work would be carried out by the elections team, led by the Elections Manager. There is likely to be an impact on colleagues who arrange precepting and bill residents for council tax although that impact can not be accurately predicted as it will depend on the outcome of the review. If a new Council is established for Heysham, for example, there will be a significant impact as it will affect a large number of households. If there are no changes at all after carrying out the review, there will be no impact.

No major elections are planned for May 2018, so this is the ideal time to undertake a review, as it will be a major piece of work, possibly including polls not just consultation work, and could not be undertaken in parallel with an election without extra staff resources. The next year with no planned elections is 2022.

Other Issues – e.g. Impact on internal services, potential risks etc.

The impact on the elections team - consultation work, reporting to members at various stages and possibly running polls (if required) - could be significant, and for this reason the work has been scheduled for a year with no planned elections. The greatest risk - unlikely but still a risk - is that a snap Parliamentary Election could be called and this would mean that the review would have to either be put on hold, or additional staff resources would be needed. There is also a risk, if the review is delayed or put on hold, that the Council has not given due regard to the timescales in the guidance document.

The costs that are given in this growth bid are initial estimates, and may ultimately be lower; they cannot be firmed up until the outcome of the public consultation and whether polls are going to be necessary or not (the polls and the fees that might be paid to the software supplier to adjust the Council Tax system are the most costly elements, the initial consultation can be carried out at minimum cost using press releases and the Council website). If no polls are needed, the cost will be much lower.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Fees for system changes		15,000		
Possible polls (may not be needed)	10,000	10,000		
Total	10,000	25,000	0	0

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**2017 to 2021 BUDGET PROCESS – BUDGET OPTIONS
 (REDIRECTION/GROWTH)**

Service:

Service / Policy Area

Conservation (Built Heritage)

Brief Description of Budget Option

To create a new temporary post of Conservation Assistant (Standards, Compliance and Enforcement). The post would be for two years and would permit a qualified but probably fairly inexperienced conservation graduate to support the work of the conservation officers.

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

The council has legal responsibilities for ensuring that heritage assets are identified and protected. The council also has intentions to promote economic growth on the basis of this cultural offer: the Corporate Plan identifies one of the main prospects for economic growth is the potential to capitalise on the district's "outstanding arts and cultural heritage". Presently, the council manages all built heritage with only two conservation officers. Much of the officers' valuable professional time is lost to addressing enforcement matters, often relating to occurrences where property owners do not implement what they have obtained consent for, or, make changes to heritage assets without seeking consent. The need to delay other work to address non-compliance issues prevents positive conservation policy work being undertaken. Insufficient resource to address incidences of non-compliance have wider ramifications: members of the community who follow process can be discouraged whilst other community members may be encouraged to follow suit. Establishing and publicising clear intentions to ensure that conservation standards are complied to whilst non-compliance issues will be addressed raises expectation and ultimately standards. An additional resource with a focus on compliance will greatly assist.

Other Issues – e.g. Impact on internal services, potential risks etc.

The Planning (Listed Buildings and Conservation Areas) Act 1990 places specific duties and obligations on local authorities to ensure that heritage assets are conserved. Having the support of an assistant will enable the Conservation Officers to focus their experience and their valuable officer time on addressing the substantive challenges and processes including deadlines associated with the delivery of the local plan. A dedicated and knowledgeable resource to address issues of standards and compliance specifically with regard to development affecting heritage assets will support the work of the small planning enforcement team who are obliged to prioritise enforcement case work and establish better expectations on development compliance.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Conservation Assistant Grade 3	16,200	22,400	5,800	
Total	16,200	22,400	5,800	0

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**2017 to 2021 BUDGET PROCESS – BUDGET OPTIONS
 (REDIRECTION/GROWTH)**

Service:

Service / Policy Area

Financial Services

Brief Description of Budget Option

Establishment of a new post of Accountancy Manager (Grade 8). The creation of this post will provide the necessary capacity within accountancy to ensure key projects, such as Canal Corridor & Salt Ayre Sports Centre redevelopment, are supported with the appropriate level of financial advice and support, and that the accountancy section can successfully adapt to future changes in accounting requirements and early closure timescales, as well as resourcing the implementation of replacement financial and non-financial IT systems. The post would also create capacity for aspects of accountancy work that have been put on hold due to a lack of resources, i.e. a full review of internal recharges and implementation of monthly financial monitoring amongst other areas of work. It would also provide the Financial Services Manager with much needed capacity to allocate more time to managing and developing the exchequer, procurement and risk management/insurance sections, as well as being able to support more strategic financial issues such as 100% Business Rates Retention and New Homes Bonus etc.

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

None directly other than the service.

Other Issues – e.g. Impact on internal services, potential risks etc.

Creation of the post will ensure key council projects and initiatives can be supported with the appropriate level of advice and support. It will provide services with another level of strategic and operational financial advice and support, and will create capacity to enable future financial developments to be planned and resourced appropriately.

If the post is not created the service will not have the capacity to meet future changes and developments, i.e. implementation of a replacement IT system, changes in accounting requirements and the requirement to close accounts earlier. In addition, there will be insufficient capacity to support key corporate initiatives and projects. There is also a risk that increased pressure on the accountancy section will result in an increase in the likelihood of errors, failure to meet internal and external deadlines and generally have a negative impact on the Council and its services, and staff generally.

The cost of the post from 2020/21 onwards will be covered by finance-driven savings (be they income related or efficiency/modernisation measures).

As well as the wide ranging statutory obligations that the post would help fulfil, under section 114 of the Local Government Finance Act 1988 (and as set out in the Council's Constitution), the authority must provide the Section 151 Officer with *sufficient staff*, accommodation and resources, to carry out the duties under that section. This is a key governance requirement to ensure the S151 officer can provide a finance function with the resources, expertise and systems necessary to perform its role effectively.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Accountancy Manager - Grade 8	36,100	49,200	50,400	51,600
External Recruitment Costs	7,000			
Target Savings				-51,600
Total	43,100	49,200	50,400	0

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**2017 to 2021 BUDGET PROCESS – BUDGET OPTIONS
 (REDIRECTION/GROWTH)**

Service:

Service / Policy Area

Clean and Green Places

Brief Description of Budget Option

Council's decision (March 2016) with regards to CCTV was to cease provision 31/03/17 but work with interested parties to establish if it could be provided in a different way at no cost to the Council. Work is ongoing to look at the business case for a 're-purposed' public CCTV system that acts a tool to 1) contribute to safety 2) help reduce fly tipping and vandalism 3) help manage other functions provided by the Council eg events, Licensing. The current system is in need of upgrade however so capital expenditure would be required besides ongoing revenue funding. A project group consisting of City Council, Lancaster BID, Morecambe BID, Chamber, Police is looking at the best options going forward - including working with other Councils. In order to allow time for the viability of the business case to be determined the Council will continue to run the system from April to September 2017, but without staffing. The one-off costs to support this extension are indicative at this stage.

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

Supports corporate priorities of Community Leadership, Clean and Green Places, Sustainable Economic Growth.

Other Issues – e.g. Impact on internal services, potential risks etc.

No other key issues at this stage.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Cost of extension April to Sept 2017	50,000			
Total	50,000	0	0	0

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**2017 to 2021 BUDGET PROCESS – BUDGET OPTIONS
 (REDIRECTION/GROWTH)**

Service:

Service / Policy Area

Environmental Health - Pest Control (Health policy area)

Brief Description of Budget Option

This proposal creates additional staffing capacity to maximise the prospects for delivering required levels of income from our Pest Control service. It is linked to existing income targets for 2017/18 and beyond which we are taking forward through a commercialisation and marketing project which has already begun, targeting higher value commercial contract clients.

We propose the establishment of a grade 2 post of Assistant Pest Control Operative for a fixed term of 2 years to:

- a) free up existing highly experienced staffing capacity to service new, high value contract clients
 - b) secure succession planning to sustain the service's expertise, efficiency, effectiveness and viability.
- In order to recruit and train the new post holder in time for the main income-generating wasp season, assistance for timely recruitment is proposed at a cost of £3,600 which will be met from corporate turnover savings in 2016/17.

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

Pest Control is currently working at full stretch to service existing workloads. Based on existing staffing levels we would have to drop some existing, lower-earning work in order to achieve future year income targets.

This proposal creates additional staffing capacity so that we would continue to service existing clients and workloads without loss of lower-earning work, whilst also maximising prospects of winning and successfully servicing higher-earning commercial contracts. Once the time has been spent upfront winning the higher value contracts, workload can be managed thereafter without the additional resource.

Other Issues – e.g. Impact on internal services, potential risks etc.

Pest Control cannot guarantee delivering existing income targets but is in a strong position in terms of service expertise, customer-base awareness and customer satisfaction.

The additional costs of employing and training the proposed Assistant Pest Control Operative would be added to our income targets. Without that post we risk not being able to capitalise on strong income-generating prospects that would help to assure the future financial sustainability of the service and seek to generate a surplus.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
1 x Assistant Pest Control Operative	19,300	19,300		
Target income supported by this proposal	-19,300	-19,300		
Total	0	0	0	0

Service:

Service / Policy Area

Environmental Health (Health and Clean-Green-Safe policy areas)

Brief Description of Budget Option

Establishment of a fixed term 2 year pilot Anti-Social Behaviour team dedicated to investigating, confronting and tackling (using formal enforcement powers where necessary) anti-social behaviour. We anticipate but cannot at this stage confirm likely support with the costs of running this unit from Transformational Challenge Award (TCA) funding. We would make a bid to the County Council for an element of their TCA grant allocation, the aims of which are closely aligned with the growth proposal.

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

Anti-social behaviour is a significant problem in parts of the Lancaster district (including council estates) in terms of neighbour-on-neighbour problems, litter and fly-tipping, drug-related problems affecting residential streets, alcohol and the night-time economy, and aspects of hate crime-related anti-social behaviour falling outside the criminal remit of the Police. Anecdotally some of these are growing problems.

One part-time (2 days a week) permanent ASB Officer post, formed from part of a pre-existing post, is currently (December 2016) being recruited to. The growth proposal here is to more fully establish a small unit of two dedicated ASB officers and a fully operational ASB lead officer. Working highly flexible hours to target peak times and maximise impact, this pilot if approved will run from June 2017 to May 2019. We believe this is the minimum size of unit to efficiently and effectively manage and and fulfil a demanding caseload. It will be necessary to strictly prioritise individual cases and align with the needs of any funding sources.

A dedicated anti-social behaviour unit will help to offer cost effective and coordinated joined-up enforcement when compared with a single dedicated service on a wider anti-social matter such as litter / fly-tipping.

Other Issues – e.g. Impact on internal services, potential risks etc.

This proposed anti-social behaviour unit will enable some existing demands on council services to be delivered in more efficient and targeted ways. In several areas (Environmental Health, Council Housing) the detail in this proposal already reflects some diversion of resources. There are several other anticipated funding sources - each likely to be conditional to specific geographical areas or types of problem - and these would once approved be brought on stream as additional posts.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
1 x additional ASB officer (grade 4)	22,800	28,300	4,900	
1 x lead ASB officer (grade 5)	27,100	33,600	5,800	
Use of 2 x marked vehicles	8,300	10,000	1,700	
Equipment, tools, clothing & training	3,500	2,000	500	
TCA Funding - to be confirmed	-46,700	-55,900	-9,900	
HRA contribution to anti-social behaviour	-15,000	-18,000	-3,000	
Total	0	0	0	0

Service:

Service / Policy Area

Regeneration/Development Control

Brief Description of Budget Option

Appointment of Project Officer to support the Regeneration Manager with the delivery of the Canal Corridor North Regeneration project.

Time limited contract (5 years)

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

The Canal Corridor North project is a major priority for the City Council. It will be complex in terms of balancing the councils regulatory role with its regeneration and economic development activities. The City Council is both a landowner, investor, and regulator in this project.

This is one of the most important regeneration projects in a generation and has game changing potential to elevate Lancaster to deliver its true potential in terms of a visitor destination, student experience and becoming a top location to live and work.

Other Issues – e.g. Impact on internal services, potential risks etc.

The Canal Corridor North project is now moving into a phase where it is capable of consuming a disproportionate amount of the Regeneration Manager's time handling routine but important project management duties. To redress this balance throughout the delivery phase of the project dedicated project support is needed to ensure the Regeneration Manager can offer the appropriate direction whilst carrying his other managerial and professional duties. Considerable work is still being done as part of due diligence to assess whether the project can commence to the delivery stage. No recruitment to this key delivery post would take place until there was more certainty over commencement.

Recruitment in the planning and regeneration sector is becoming increasingly difficult and it is by no means certain that the appropriate expertise can be acquired through traditional recruitment methods.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Project Officer Grade 6	29,000	39,700	40,900	42,200
Total	29,000	39,700	40,900	42,200

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**2017 to 2021 BUDGET PROCESS – BUDGET OPTIONS
 (REDIRECTION/GROWTH)**

Service:

Service / Policy Area

Regeneration - Empty Homes

Brief Description of Budget Option

Redirecting savings from the retirement of an existing post holder to make the Empty Homes Officer post permanent (current contract expires 31st March 2017). This is in line with an October 2014 Cabinet decision (minute 47 refers). This will be accompanied by a refresh of the Empty Homes Strategy (to be reported to Cabinet in February 2017) and an internal reorganisation to ensure sufficient capacity is in place to cover this important area of work. The overall impact of these changes will be cost neutral at worst with potential for a small overall saving.

Proposed Implementation Date

Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

This is a high profile area of work with significant community impact. Empty Homes are a visible sign of an area's wellbeing and a deterrent to investment. They are also a wasted resource at a time of housing shortages. Bringing empty homes back into use directly contributes to the corporate priorities of health and wellbeing and economic regeneration and has a positive financial impact on the council.

Other Issues – e.g. Impact on internal services, potential risks etc.

A successful empty homes program helps address housing need and improves the economic prospects of an area. It also complements other regeneration initiatives (such as S215 untidy land and building work) and ongoing enforcement work through planning and housing legislation. It is proposed to improve co-ordination between these functions to provide the most efficient service possible.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Empty Homes Officer salary and on-costs	34,600	35,700	36,700	37,500
Retiring Officer salary and on-costs	-44,500	-44,500	-44,500	-44,500
Net Saving	-9,900	-8,800	-7,800	-7,000
Note: Use of savings to be considered as part of wider restructure	9,900	8,800	7,800	7,000
Total	0	0	0	0

Service:

Service / Policy Area

Resources / Property

Brief Description of Budget Option

Implementation of a new Property Group staff structure which includes increased staff levels to address resourcing gaps in critical areas. The key growth area is asset management to create capacity for strategic property management and ensure the City Council obtains best value for money from its property holdings.

Another key area being addressed through the restructure is that of facilities management creating a clear split between room bookings & events management (a potential growth area for the Council) and reducing the number of traditional facilities support officers but increasing the hours to increase flexibility and reduce overtime payments.

Proposed Implementation Date Estimated Lead-In

Service Impact – External/Community Impact (including impact on Corporate Plan)

Builds capacity for strategic property management.

Delivers a more focused approach to room booking and event management. Potentially creates a foundation for a more corporate approach to room bookings and cafe management in the future. Improves flexibility within the facilities support to reduce overtime and thus improve financial certainty going forward.

Other Issues – e.g. Impact on internal services, potential risks etc.

Increased capacity in asset management will deliver a more strategic approach to management of the Council's property holdings. It will also allow Property Group to increase its corporate landlord responsibilities thus reducing the time other services spend on property related matters.

Estimated Costs (excluding inflation)

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Increase to staff structure	23,400	36,100	41,400	42,600
Total	23,400	36,100	41,400	42,600

GENERAL FUND REVENUE BUDGET - 2017/18 TO 2020/21

SUMMARY OF SAVINGS AND GROWTH OPTIONS - 2018/19 ONWARDS

SERVICE	PROPOSAL
PHASE 2 - 2018/19 SAVINGS AND GROWTH OPTIONS TO BE EXPLORED	
POTENTIAL SAVINGS	
Budget Proposals Arising From 2016/17 Budget	
Governance	Civic Regalia
Environmental Services	Electric Car Charging Points
Regeneration & Planning	Platform Review
Regeneration & Planning	Museums Review
Regeneration & Planning	VIC's Rationalisation
Regeneration & Planning	Arts Grants Review
Resources (Financial Services)	Reduction of Credit Card Charges
New Budget Proposals	
Resources (Property Group)	Office Accommodation Rationalisation / Corporate Property Strategy Review
Environmental Services	Fleet Management Review
Environmental Services	Trade Waste Scoping Exercise to Determine Expansion
Environmental Services	Various Morecambe Concessions Review
Environmental Services	Williamson Park Café (includes capital growth)
Environmental Services	Car Parking Charges Review
Environmental Services	Advertising on Council Vehicles
Governance	Voluntary, Community & Faith Sector - Review of Funding
Health & Housing	Licensing Service Review
Health & Housing	Salt Ayre - New facility for gymnastics, indoor ski/surfing (includes capital growth)
Revenues (Financial Services)	Centralised Payroll Function
Resources (Revenues)	Review of Benefits Service (particularly Housing Benefit in light of Universal Credit roll-out)
Resources (Revenues)	Review of Council Tax Discretionary Discounts and Exemptions
POTENTIAL GROWTH	
Governance - HR	Learning & Development Capacity
Governance - HR	Job Evaluation Review
Environmental Services	New CCTV System (includes capital growth)
Environmental Services	Improve Lower Storey Garden (includes capital growth)
Environmental Services	Route Optimisation Software
Environmental Services	"Pay on Foot" parking in St Nicholas Arcades Car Park (includes capital growth)
Regeneration & Planning	MAAP - Making the Heart of Morecambe (includes capital growth)
Regeneration & Planning	MAAP - Improving Approach to Morecambe (includes capital growth)
Regeneration & Planning	Lancaster Square Routes - Sun Square (includes capital growth)
Resources (ICT)	Geographic Information Systems (GIS) Support & Development
Resources (ICT)	Corporate Digital Projects (including mobile working and ICT modernisation strategy)
All Services	Corporate Cultural Change

General Fund Revenue Budget 2016/17 to 2020/21
As Recommended by Cabinet 17 January 2017

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Original Revenue Budget / Forecast	16,258	15,180	17,221	17,427	
<i>Allowing for budgeted contribution to Balances</i>	<i>56</i>	<i>165</i>			
Changes to Budget Projections - <i>Cabinet 06 December</i>	305	(307)	(600)	(326)	17,819
Base Budget Changes after Cabinet 06 December					
New Homes Bonus	-	84	(200)	(192)	276
Net Benefit Admin Grant reduction	-	77	75	73	104
Pensions	-	(71)	(70)	(68)	295
Loss of interest re Pensions	-	12	19	18	0
Capital Financing - MRP changes	-	(65)	(29)	(21)	(22)
Investment Interest	-	(90)	(66)	(253)	(313)
Other net changes across all Services	(1)	47	(51)	(67)	(90)
Phase 1 Savings Proposals (please see attached for details)					
Efficiency Savings	-	(60)	(80)	(81)	(82)
Income Generation	-	(74)	(104)	(113)	(115)
Phase 1 Growth Proposals (please see attached for details)					
Statutory Based	-	70	98	58	0
Other Proposals	-	103	78	42	44
The above to be funded from Reserves (after 2017/18)	-	-	(176)	(100)	(44)
Support for Economic Growth	-	500	-	-	-
Additional Contribution to Reserves	-	452	-	-	-
Reduced Contribution to Balances	(39)	-	-	-	-
General Fund Revenue Budget	16,523	15,858	16,115	16,397	17,872
Settlement Funding Assessment:					
Revenue Support Grant	(2,652)	(1,605)	(941)	(200)	0
Retained Business Rates	(4,568)	(5,065)	(5,223)	(5,400)	(5,510)
Business Rates - Safety Net Adjustment	-	401	413	427	441
Renewable Energy Income	(947)	(966)	(994)	(1,025)	(1,046)
Estimated Collection Fund Surplus	(60)	-	-	-	-
Council Tax Requirement	8,296	8,623	9,370	10,199	11,757
Target Council Tax Requirement	8,296	8,623	8,956	9,295	9,640
Latest Budget Deficit / (Surplus)	0	0	414	904	2,117

General Fund Unallocated Balance	
	<i>£M</i>
Original Projected Balance as at 31 March 2016	(4.128)
Budgeted Contribution	(0.056)
2015/16 Actual Underspend	(0.331)
2016/17 Forecast Overspend	0.039
Projected Balances as at 31 March 2017	(4.476)
Budgeted Contribution	(0.165)
Projected Balances as at 31 March 2018	(4.641)
Less Agreed Minimum Level of Balances	1.500
Available Balances	(3.141)

GENERAL FUND CAPITAL PROGRAMME - As Recommended by Cabinet 17 January 2017

Service / Scheme	2016/17			2017/18			2018/19			2019/20			2020/21			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	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Vehicle Renewals	1,160,000		1,160,000	1,685,000		1,685,000	984,000		984,000	971,000		971,000	1,509,000		1,509,000	6,309,000	0	6,309,000
Bins & Boxes Scheduled Buy-Outs	74,000		74,000	50,000		50,000			0			0			0	124,000	0	124,000
Car Parks Improvement Programme	57,000		57,000	27,000		27,000			0			0			0	84,000	0	84,000
Middleton Solar Farm Feasibility Study	0		0			0			0			0			0	0	0	0
Happy Mount Park - Pathway Replacements	43,000		43,000	23,000		23,000	23,000		23,000	23,000		23,000			0	112,000	0	112,000
Langridge Way Play Area	23,000	16,000	7,000			0			0			0			0	23,000	16,000	7,000
Health and Housing																		
Disabled Facilities Grants	850,000	850,000	0	2,511,000	2,511,000	0	1,463,000	1,463,000	0	1,463,000	1,463,000	0	1,463,000	1,463,000	0	7,750,000	7,750,000	0
Warmer Homes Scheme	1,000		1,000			0			0			0			0	1,000	0	1,000
Salt Ayre Sports Centre - Redevelopment	4,405,000		4,405,000	340,000		340,000			0			0			0	4,745,000	0	4,745,000
Regeneration and Planning																		
Sea & River Defence Works & Studies	3,780,000	3,780,000	0	2,860,000	2,860,000	0	1,221,000	1,221,000	0	25,000	25,000	0	25,000	25,000	0	7,911,000	7,911,000	0
Amenity Improvements (Morecambe Promenade)	24,000		24,000			0			0			0			0	24,000	0	24,000
Luneside East	30,000		30,000			0			0			0			0	30,000	0	30,000
Lancaster Square Routes	30,000	11,000	19,000			0			0			0			0	30,000	11,000	19,000
Morecambe TH12: A View for Eric	477,000	359,000	118,000	271,000	206,000	65,000	135,000	103,000	32,000			0			0	883,000	668,000	215,000
MAAP Improving Morecambe's Main Streets	527,000	9,000	518,000	258,000		258,000	150,000		150,000	150,000		150,000			0	1,085,000	9,000	1,076,000
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	4,000		4,000			0			0			0			0	4,000	0	4,000
Pedestrian/cycle links Sainsbury's Morecambe s106 Scheme	1,000		1,000			0			0			0			0	1,000	0	1,000
Lancaster District Empty Homes Partnership	200,000		200,000			0			0			0			0	200,000	0	200,000
Bay Arena Improvements	50,000	50,000	0			0			0			0			0	50,000	50,000	0
S106 Highways Works	319,000		319,000	301,000		301,000			0			0			0	620,000	0	620,000
Resources																		
ICT Systems, Infrastructure & Equipment	799,000		799,000	227,000		227,000	908,000		908,000	93,000		93,000	292,000		292,000	2,319,000	0	2,319,000
Corporate Property Works	2,314,000	8,000	2,306,000	2,746,000		2,746,000	1,113,000		1,113,000			0			0	6,173,000	8,000	6,165,000
Energy Efficiency Works	40,000		40,000	1,080,000		1,080,000			0			0			0	1,120,000	0	1,120,000
GENERAL FUND CAPITAL PROGRAMME	15,298,000	5,083,000	10,215,000	12,379,000	5,577,000	6,802,000	5,997,000	2,787,000	3,210,000	2,725,000	1,488,000	1,237,000	3,289,000	1,488,000	1,801,000	39,688,000	16,423,000	23,265,000
Financing :																		
Specific Grants and Contributions	5,083,000			5,577,000			2,787,000			1,488,000			1,488,000			16,423,000		
General Capital Grants	1,000			0			0		0	0		0	0			1,000		
Capital Receipts	1,219,000			870,000			0		0	0		0	0			2,089,000		
Direct Revenue Financing	363,000			50,000			0		0	0		0	0			413,000		
Earmarked Reserves	1,010,000			632,000			445,000		173,000	173,000		38,000	38,000			2,298,000		
	7,676,000			7,129,000			3,232,000		1,661,000	1,661,000		1,526,000	1,526,000			21,224,000		
Increase / Reduction (-) in Capital Financing Requirement (CFR) (Underlying Change in Borrowing Need)	7,622,000			5,250,000			2,765,000		1,064,000	1,064,000		1,763,000	1,763,000			18,464,000		
TOTAL FINANCING	15,298,000			12,379,000			5,997,000		2,725,000	2,725,000		3,289,000	3,289,000			39,688,000		
SHORTFALL / SURPLUS (-)	0			0			0		0	0		0	0			0		