

Report to: Executive Cabinet Member
Environmental Services

Date: 8th April 2019

Bolton Council

Report of: Director of Place
Borough Treasurer

Report No: ECMES/556

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Finance & Accountancy

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Report Title: **Strategic Budget Report – Directorate of PLACE 2019/20**

Non Confidential:

(**Non-Confidential**) This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose:

To agree the revenue and capital budgets for 2019/20 for the Directorate of Place .

Recommendations:

It is recommended that:

The Executive Cabinet Member notes the proposed revenue budget of £39,731,000 prior to the adoption of savings options.

The Executive Cabinet Member notes the savings options outlined in Appendix B to this report, totaling £5,700,000. Following this, the Strategic Budget will amount to £34,031,000.

Approve the budget options which fall under this portfolio indicated in paragraph 6.14, which for the whole of the Directorate of Place total £1,635,000.

The Executive Cabinet Member notes the capital programme of £73,196,000.

Decision:

Background Doc(s):

(for use on Exec Rep)

Signed:

Leader / Executive Member

Monitoring Officer

Date:

Summary:

This report is for completeness and forms part of the Corporate Business Planning Process for 2019/2020. It outlines the revenue budget for the Directorate of Place.

In addition, the report includes the capital programme for the period 2019/20 to 2021/22.

1 INTRODUCTION

This report represents the final stage of the Corporate Business Planning Process for 2019/20 and outlines the revenue budget for the Directorate of Place.

In addition, the report includes the capital programme for the period 2019/20 to 2021/22.

2 BACKGROUND

In the recent budget consultation report, 3rd December 2018, budget reductions of £23.5m have been allocated to directorates. This equates to £5.7m for the Directorate of Place.

The final budget report was recommended by Cabinet on 11th February 2019 for presentation to Council at its meeting of 20th February 2019.

This report sets out the initial plans, expected report dates, cashflow for each option and the approach to managing the associated work programme. The 2019/21 programme will be managed following the same processes and principals as previous savings processes as set out in paragraph 5 in this report.

3 REVENUE BUDGET

The proposed revenue budget for Directorate of Place, prior to the implementation of savings options, amounts to £39,731,000.

Table one provides an objective analysis of the budget, with the information analysed by Standard Spending Accounts, Trading Accounts and unapportionable overheads.

The Director of Place considers that the budget as set out in this report is robust.

Table One

Department of Place Objective Analysis of Budget 18/19 to 19/20 analysed by Service	2018/19	2019/20
	Prior to options	Prior to options
	£'000	£'000
<u>Community Issues :</u>		
Community Safety	689	739
<u>Environmental Services :</u>		
Albert Halls	190	122
Neighbourhood & Regulatory Services	7214	7273
Waste Management	8018	8035

Continued.	2018/19	2019/20
	£000	£000
Area Management	795	831
Bereavement Services	-689	-699
Overhead Accounts (such as depot/property charges, recharges etc)	863	1260
Trading Accounts	778	712
<u>Highways and Transport :</u>		
Highways & Engineering, Parking Services	6824	6770
<u>Deputy Leader :</u>		
Property Services	1760	1666
Strategic Development Services	1108	775
<u>Strategic Planning and Housing :</u>		
Economic Strategy	861	1194
Housing	1982	2079
Planning Services	750	776
<u>Culture and Sport :</u>		
Leisure	2849	2847
Libraries , Museums and Archives	5248	5351
Total PLACE Directorate	39,240	39,731

4 VARIANCE ANALYSIS

Appendix A to this report outlines a detailed variance analysis of changes between the original budget for 2018/19 and the proposed budget for 2019/20. This section explains individual items in more detail.

4.1 Recharge Adjustments (£1,207,000)

The budget has been amended to reflect changes in recharges between various departments of the Council.

As part of the recharge adjustment in Transport Services, approval is sought to have 2 vacant post deleted from the establishment. The budget for these post will be offset against the income target.

Transport Co-ordinator.Transport Services.32140
Workshop Technician..3027

4.2 In Year Budget Virements (-£148,000)

This represents budget transfers to / from Directorate of Place, as a result of the transfer of functions to / from other Departments. The details are shown below:

Directorate of Place - in year budget virements 18/19	£'000
Supported Employment posts to Directorate of People	-34
Transfer of Chief Officer Post from Directorate of Corporate Resources	98
Transfer to Directorate of Corporate Resources budget implications of Finance savings review.	-33
New Procurement posts established contribution transferred to Directorate of Corporate Resources	-16
CPS Budget Resource Transfer - 1 post from Directorate of Corporate Resources	27
Registrars Rental - notional rent for Merehall from Directorate of Corporate Resources	54
Insurance revised estimate 1819 to Corporate Centre	-191
Vodafone contract saving clawback	-15
MFD Contract - clawback adjustment	-38
Total	-148

4.3 Corporately Funded Growth

Inflation (£1,275,000)

This represents anticipated increases in costs resulting from the increases in prices paid, less increased income based on the assumptions approved in the budget report approved by Council on 20th February 2019.

Insurance (£-23,000)

A budget for insurance has been reflected to show the anticipated charge to the department. The councils insurance costs are apportioned across all departments based on activity.

4.4 Strategic Budget 2019/20 (prior to savings)

The proposed strategic budget for Directorate of Place, before incorporating the savings target, amounts to £39,731,000.

4.5 Departmental Savings Target (-£5,700,000)

Appendix B to this report provides an analysis of proposed savings options. Comments relating to each option are shown in Section 6.

4.6 Strategic Budget 2019/20 (including savings)

The proposed strategic budget for Directorate of Place, incorporating the savings target identified above, amounts to £34,031,000.

5 PROGRAMME APPROACH

The 2019/21 Place savings programme will be managed by Place DLT who will act as the programme board. The Head of Strategic Finance and Accountancy will be the strategic lead for the savings programme.

A steering group will meet monthly to ensure the programme is on track.

6 DETAILED STRATEGIC BUDGET SAVINGS AND EFFICIENCY OPTIONS

Appendix B provides information relating to the savings options for 2019/21. Explanations of the options are outlined below.

6.1 Bowling Greens (£67k)

The Council will review all 28 bowling greens and their usage and will use Community Asset Transfer powers, where appropriate, to deliver greenspace functions through a new partnership approach with local communities.

It is anticipated that a report for this option will be brought forward during Autumn 2019.

6.2 School Crossing Patrols (£100k)

Following best practice across the UK, the Council is currently installing crossings at priority sites and seeking a variety of appropriate solutions. The use of street furniture will improve safety therefore enable the number of SCP's to be reduced. It is also proposed to engage with schools to find ways of moving towards only providing SCP on Priority 1 (Red) sites only. It is anticipated a report for this option will be brought forward during Summer 2020.

6.3 Review of External Charging (£1,963k)

A review is currently being undertaken of the charging across the department. Comparisons are being made with other GM local authorities as well as nationally (through use of benchmarking data).

Appendix D (i) identifies £438k of additional income to be built into the budget as a result of this work.

It is anticipated that 2 further reports will come forward during the Autumn 2019 and Summer 2020.

6.4 Digital Waste Calendar (£27k)

The service will review the spend on waste and recycling promotion with a move towards a digital strategy

Approval for this is sought in this report. This will be realised in full in 19/20.

6.5 Waste Service Review (£250k)

To review the processes and structure of the Waste service.

It is anticipated that the report outlining proposals will come forward in the during late Autumn 2019.

6.6 Review of processes and structures focussing on Trading Accounts and Back Office Functions (£774k)

A review of back office functions across the department will take place, this will cover areas such as the Business Development team as well as service back office and a review of all budgets held by these service areas.

This option also includes a service reviews of traded services. Initial findings have indicated that the following service areas may form part of this option, School Meals and Building Cleaning, Security and Response and Bereavement Services.

A series of reports will be brought forward throughout the 2019/21

A review of cash limited budgets has been carried out in Economic Development and Place management & administration.

It is proposed to reduce the overhead budget for Economic Development by £200k. This brings the budget in line with current expenditure.

It is also proposed to reduce the overhead budget which forms part of the Place management and administration account by £193k. It is proposed to reduce budgets to current levels of expenditure.

6.7 Trade waste income (75k)

This option is to build into the Trade Waste budget, additional income. Currently the service actually delivers more income than is in the budget by £65k. This will be realised in full in 19/20.

Approval for this is sought in this report. This will be realised in full in 19/20.

6.8 Review of Winter Gritting (£100k)

It is proposed to review the winter gritting routes and make a reduction. There has been a change in the guidance regarding when it gritting is most effective.

It is anticipated that a report would during the summer 2020.

6.9 More targeted approach to front-line services (£1579k)

A series of service reviews will take place, during the next 18 months across services such as, Highways, Neighbourhood Services, Community Safety and the departments Senior Management Team.

A series of reports will be brought forward throughout the 2019/20.

It is proposed to reduce the revenue budget for Housing Services by (£367k). This is possible as all the costs related to Private Sector Renewal, form part of the capital scheme costs. It is also proposed to reduce the cash limited budgets to the current level of expenditure.

6.10 Review of Museum, Library and Archives (£430k)

A review of staffing, specific provision and fees & charges to ensure the Museum, Library and Archive service meets customer needs.

It is anticipated that a report will be brought forward during Summer 2019.

6.11 Leisure (£100k)

Reduction of the free swimming budget to reflect the actual costs which equates to a reduction of £24k. The balance of the saving will be found by reducing cash limited budgets from the service area, which equates £76k.

Approval for this is sought in this report. This will be realized in full in 2019/20 balance of £50k will be brought forward during the Autumn of 2019.

6.12 Reduction in Climate Levy Budget (£100k)

Removal of £100k budget identified for payment of the Climate Levy. It is proposed to reduce this budget by £100k. Realised in full in 19/20.

Approval for this is sought in this report . This will be realised in full in 2019/20.

6.13 Review of Procurement Processes (£135k)

A review of procurement arrangements has been ongoing across the department over the past few years. This is the savings that has been found along with a general reduction in cash limited budgets.

Approval for this is sought in this report . This will be realised in full in 19/20.

6.14 Summary of approvals sought within this report

Service	Proposed Option	Proposed Savings	Further Detail
		£'000	
Cross Cutting	A review of external charging across the department. Further details can be found in Appendix D	438	Review of charging across the department. This will involve benchmarking our charges to other GM LA's as well as nationally. This option includes implementation of business cases that will generate income such Heaton Fold
Waste & Recycling	In order to support the Council's new Digital Strategy, online information is readily available. The paper copy of the calendar is no longer required.	27	To reduce the budget for printing.
Cross Cutting	Traded Service and Back Off Review	200	Management of Cash Limited Budget - Economic Development
Cross Cutting	More targeted approach for front line services, which will also require a full staffing review in areas such as Neighbourhood Services and Neighbourhood Services, Regulatory Services, Community Safety and Strategic Housing	367	Remove the revenue budget for Private Sector renewal as these form part of the capital programme.
Cross Cutting	Traded Service and Back Off Review	193	Management of Cash Limited Budget. Reduction in budgets such as ICT which will be funded from reserves.
Trade Waste	The service will take a more proactive approach to trade waste and will target more businesses in Bolton & beyond.	75	To build on the additional income being generated by the trade waste service

Service	Proposed Option	Proposed Savings £'000	Further Detail
Leisure	Deliver a new targeted approach which will ensure that customers with greater need have access to facilities in their communities, this will include a renegotiation of the Leisure contract.	100	Removal of the balance of the saving will be found by removing all cash limited budgets.
Cross Cutting	Reduce the Climate Change Levy to reflect the Accommodation Rationalisation Programme & the Street Lighting LED Programme.	100	Removal of £100k budget put aside that is no longer required
Cross Cutting	Review of procurement processes	135	A review of procurement arrangements has been ongoing across the department. This is the savings that have been found as well as a general reduction in cash limited budgets
Proposed options for approval within this report		1,635	

Portfolio	Proposed Savings
	£'000
Executive Cabinet Member - Environmental Services	658
Executive Cabinet Member - Culture & Sport	100
Executive Cabinet Member - Deputy Leader	877
	1,635

7 CAPITAL PROGRAMME BID

Appendix C provides details of the Directorate of Place capital programme, which totals £73,196,000.

8 ASSESSMENT OF RISK

Senior managers within the Directorate of Place review financial risks facing the department on a regular basis.

9 CONCLUSIONS

This Strategic Budget Report proposes a net budget for the Directorate of Place of £39,731,000 before the adoption of savings and £34,031,000 following the implementation of savings totaling £5,700,000.

10 RECOMMENDATIONS

It is recommended that:

- The Executive Cabinet Member notes the proposed revenue budget of £39,731,000 prior to the adoption of savings options.
- The Executive Cabinet Member notes the savings options outlined in Appendix B to this report, totaling £5,700,000. Following this, the Strategic Budget will amount to £34,031,000.
- Approve the budget options which fall under this portfolio, indicated in paragraph 6.14, which for the whole of the directorate of Place to £1,635,000
- The Executive Cabinet Member notes the capital programme of £67,772,000.

VARIATION ANALYSIS 2018/19 TO 2019/20

Department of Place	<u>£'000</u>	<u>£'000</u>
TOTAL APPROVED BUDGET 2018/19		39,240
Less Recharges		-910
CBPP BUDGET 2018/19		38,330
Budget Virements		-148
REVISED DEPT of PLACE BUDGET 2018/19		38,182
Corporate Changes		
Inflation	1,275	
Insurance	-23	
		1,252
Demand Led		
Increments	103	
Departmental demand	-103	0
CBPP BUDGET 2019/20		39,434
Add Recharges Received	6,849	
Less Recharges made	-6,552	297
STRATEGIC BUDGET 2019/20 (prior to redirections)		39,731
Strategic Budget Redirections (see Appendix B)	-5,700	-5,700
STRATEGIC BUDGET 2019/20 (including redirections)		34,031

STRATEGIC BUDGET REDIRECTIONS

APPENDIX B

Service Area	Brief Description	£'000
Neighbourhood Services	Bowling Greens review	67
Highways	School Crossing Patrols reduced	100
Cross Cutting	Fees and Charges increased	1,963
Waste & Recycling	Digitalised Waste and Recycling calendar	27

Waste & Recycling	Review staffing, processes and customer contact rationale	250
Cross Cutting	Cross cutting various	1,579
Cross Cutting	Traded services and back office	774
Trade Waste	Increased Income from trade waste	75
Highways	Reduce the standard of the winter gritting service to match the levels provided by other GM authorities	100
Libraries & Museums	A review of staffing, specific provision to ensure the Museum, Library and Archive Service meets customer needs	430
Leisure	Identify a new targeted approach to ensure that customers with greater need have access to facilities in their communities, this will include a re-negotiation of the Leisure contract and review free swim initiatives.	100
Cross Cutting	Reduction of the Climate Levy Budget	100
Cross Cutting	Review of Procurement Processes	135
Total		5,700

CAPITAL PROGRAMME

Directorate of Place Capital Programme	19/20	20/21	21/22
	£000	£000	£000
Housing			
Disabled Facilities Grants	2,623		
Private Sector Renewal	1,500		
Safe Warm Dry Cabinet	2,000		
Total Housing	6,123	0	0
Development & Regeneration			
Town Centre Strategy Enabling Fund	31		
Bolton One Facilities - Cabinet Feb 16	73		
Town Centre Strategy	37,000	22,104	
Octagon	5,260		
Great Lever Library (UCAN)	548		
Investments in District Town Centres – Cabinet Feb-19	8,000	8,000	
Total Development & Regeneration	50,912	30,104	0
Corporate Property			
Asset Management Plan - urgent works	1,144		
Westhoughton Town Hall	2,475		
Blackrod Library	174		
Castle Hill Car Park Alterations	10		
61-63 Market St Little Lever	3,524		
Town Centres	150		
Farnworth Market Precinct	500		
Corporate Property Capital Programme	2,000	1,000	
Mere Hall - Service Move Works	116		
Total Corporate Property	10,093	1,000	0
Environmental Services			
Budget 218 Additional Highways Maintenance	452		
Concrete lighting columns over 4 years old renewals	11		
Street Lighting LED Programme	150		
Improved Street Lighting - Cabinet Feb 16 & Feb-18	519		
Depot Improvement Plan - Mayor St	9		
Business Support Systems	13		
Road Warning Signals - Cabinet Feb 16	238		
Dropped Kerbs Cabinet Feb-17	133		

Insurance Programme: High Risk Road Maintenance	492		
A666 Challenge Fund St Peters Way Improvement	934		
Cycle Access to Bolton: East (Middlebrook Way)	226		
Residential Roads & Pavements – Cabinet Feb-19	2,000		
Greenspace - Playing Pitches & Changing Facilities	12		
Greenspace - Multi Use Games Areas	43		
3G Sports Pitches - Cabinet Feb 16	786		
Heaton Fold Summer House Building	50		
Total Environmental Services	6,068	0	0
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Total Department of Place Capital	73,196	31,104	0