

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Corporate Management Team
to
Cabinet
On
13 February 2014

Report prepared by: Joe Chesterton
Head of Finance & Resources

General Fund Revenue Budget 2014/15

All Scrutiny Committees

Executive Councillor: Councillor Nigel Holdcroft

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present a 2014/15 General Fund revenue budget including schools and a proposal for the level of Council Tax for 2014/15.

2. Recommendations

That the Cabinet recommend to Council that it;

In respect of 2013/14;

- (i) Note the forecast outturn of £138.917 million;**
- (ii) Approve the appropriation of the sums to earmarked reserves totalling £13.204 million, as set out in detail in Appendix 16;**
- (iii) Approve the appropriation of the sums from earmarked reserves totalling £6.515 million, as set out in detail in Appendix 16.**

In respect of 2014/15 and later years;

- (iv) Consider and acknowledge the Section 151 Officer's (Head of Finance and Resources) report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy as set out in Appendix 1;**
- (v) Approve a General Fund net revenue budget for 2014/15 of £133.374 million (Appendix 3) and any required commencement of consultation, statutory or otherwise;**
- (vi) Approve a Council Tax freeze for the Southend-on-Sea element of the Council Tax for 2014/15;**

- (vii) **Note that the Council's preceptors Essex Police and Fire Authorities have yet to formally meet to agree their Council Tax levels for 2014/15 and the Leigh-on-Sea Town Council precept of £302,581 and a consequential decrease of 6.75% in their Council Tax;**
- (viii) **Approve that no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2014/15;**
- (ix) **Approve the appropriation of the sums to earmarked reserves totalling £0.300 million, as set out in Appendix 16;**
- (x) **Approve the appropriation of the sums from earmarked reserves totalling £11.672 million, as set out in Appendix 16;**
- (xi) **Approve the schools' budget and its relevant distribution as recommended by the Schools' Forum and as set out in Appendix 2;**
- (xii) **Approve the pressures required of £1.670 million (Appendices 12 and 13) and the savings required of £7.319 million (Appendices 14 and 15) and the subsequent individual service cash limits for 2014/15, as contained in Appendices 4 to 11;**
- (xiii) **Endorse the direction of travel for 2015/16 and beyond (Section 11);**
- (xiv) **Approve the revised Medium Term Financial Strategy up to 2017/18 (Appendix 17).**

3. Council Budget Process

- 3.1 The Council must set its revenue budget and Council Tax by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax at Council on 27 February, Members should be aware that it is unlikely that the Council Tax bills could be sent out on time for the 1 April instalment (taking into account the necessary notice period and the time required to print the bills and accompanying leaflet).
- 3.2 It is also good practice to approve the capital programme and fees and charges at the same time as the revenue budget and reports elsewhere on this agenda deal with these matters. It should be noted that the revenue impact of both reports have been factored into the 2014/15 revenue budget proposed in this report.
- 3.3 The Housing Revenue Account (HRA) budget also needs to be agreed in a timely manner to ensure rent increases can be reflected from 1 April of each year. A separate report elsewhere on this agenda deals with Housing Rents, Charges and the HRA budget for 2014/15.

- 3.4 This report presents the proposed 2014/15 General Fund revenue budget of the Cabinet for recommendation to the Council at its meeting on 27 February 2014. It builds on the draft budget approved for consultation by the Cabinet at its meeting on 21 January 2014. It also now provides the latest position on the forecast outturn for 2013/14.
- 3.5 The Head of Finance and Resources' statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at Appendix 1. It should be considered by the Cabinet before recommending a budget to Council. It must also be considered by the Council before approving the budget and Council Tax.

4. Forecast Outturn 2013/14

- 4.1 The original budget for 2013/14 totalled £138.570 million and was to be met from available government grant and council tax and no use of revenue balances was anticipated.
- 4.2 Members have been supplied with projected outturn information throughout the year, based on forecasts and expectations of the Directors and their Budget Managers, and in light of corrective action that they have identified as being necessary. The latest forecast outturn for 2013/14 amounts to £138.917 million requiring the transfer of £0.347 million from revenue balances, so as to reconcile back to available grant and council tax. This forecast outturn includes a net appropriation to earmarked reserves totalling £6.689 million, details of which are shown in Appendix 16.
- 4.3 The reasons behind the year end projected position have been reported to all Members through the monthly budget monitoring process. The actual figure for end of 2013/14 will be considered as part of the out turn report for 2013/14, which will be presented to the Cabinet in June 2014.

5 Budget 2014/15

Government Funding – Grant and Finance Settlement

- 5.1 Government funding through revenue support grant and top-up payments in respect of retained business rates is the main provider of funding for the Council's total general fund budget (excluding schools). As such it represents a significant factor in determining the Council's revenue budget. The provisional Local Government Finance Settlement for 2014/15 and indicative 2015/16 was issued by the Department for Communities and Local Government (DCLG) on 18 December 2013 and this represented year 4 of the Government's spending plans arising from the Spending Review 2010 and its first year of the next cycle of spending plans. The final Local Government Settlement was announced on 5 February 2014.

5.2 This Finance Settlement maintains the key changes in the way that Local Government is now financed, which was introduced in April 2013. To recollect for Members the main changes arose from the launch of the Business Rates Retention (BRR) scheme as the principle form of local government funding. In previous years, the settlement announcement provided local authorities with their expected general revenue allocations for the following financial year. The settlement now provides authorities with a combination of provisional grant allocations and their respective starting points within the BRR scheme. It also saw the start of the localisation of council tax support, and therefore the inclusion of a fixed sum of grant to compensate local authorities for a notional 90% of the cost of the previous council tax benefit arrangements.

5.3 The key points arising from the settlement for Southend-on-Sea Borough Council are:-

- (i) The final Settlement Funding Assessment (SFA) for 2014/15 is £69.601 million. This compares to a SFA of £77.179 million in respect of 2013/14 (a reduction of £7.578 million and equivalent to a 9.8% reduction); the indicative funding settlement for 2015/16 is £59.813 million being a further £9.788 million or 14.1% reduction in projected resources;
- (ii) Some capital and specific grants are provisional and yet to be announced in full;
- (iii) A further Council Tax freeze grant has been confirmed and those Councils that freeze their Council Tax will benefit from the equivalent cash sum of a 1.0% Council Tax increase, before any adjustment for the local council tax support scheme. This grant is payable for two years. A subsequent announcement by the Secretary of State has indicated that this funding will now be merged into the on-going Local Government settlement that Councils receive to avoid any cliff edge in funding if Councils choose to accept the freeze grant. On 15 January 2014, the DCLG confirmed in a letter to all Local Authorities the above position in respect of the Council Tax Freeze Scheme for 2014/15;
- (iv) The 2014/15 referendum limit for Council Tax increase has been set at 2% (2013/14 this was also set at 2%), as part of the final Local Government finance settlement on 5th February 2014;
- (v) Separate NHS funding continues with the announcement of £3.777million in 2014/15. This NHS Funding is to support social care and benefit health. The allocation will initially go to NHS England who will then satisfy themselves that the funding will be spent by the Council on the two areas required of social care and benefit health. The appropriate sums will then be allocated to the Council for expenditure on the approved areas. From 2015/16 this funding stream will be replaced by the Better Care Fund; a pooled budget between the Council and Southend CCG. Initial indications are that the pooled budget from existing NHS and Council resources will include no less than £12.772 million of funds;

- (vi) The consultation on the provisional finance settlement ended on 15 January 2014 and this informed the final settlement on 5th February 2014;
- (vii) The national non-domestic rates (NNDR) poundage has been set at 48.2p (2013/14 = 47.1p), having been uplifted by a reduced rate of 2% compared to the previous Government arrangement of an uplift by RPI inflation for September 2013 of 3.2%. The associated small business poundage has been set at 47.1p (2013/14 = 46.2p). Non-domestic rates are set nationally by the Government and collected locally by Councils (billing authorities). Under the new arrangements for the localisation of business rates a sum of 50% is returned to Government who then reapportion this sum back to Local Government as part of their main grant settlement. The remaining 50% is retained 49% by the Council and 1% is distributed to the Essex Fire Authority. The Council's actual income from business rates is therefore dependent upon the performance of the local economy, the success of any rating appeals and collection rates. The Police Authority receive their funding separately;
- (viii) The Public Health service grant allocation for 2014/15 is £8.060 million with the same level currently forecast for 2015/16.

Government Funding – Dedicated Schools Grant (DSG)

- 5.4 The DSG is now based on pupil numbers in the October before the beginning of each financial year allowing an estimate of grant to be made in order for local authorities to calculate individual school budgets by early March.
- 5.5 The total DSG for 2014/15 is £135.6 million (2013/14 = £132.7 million), an increase of 2.2% on the previous financial year. In practice the final DSG will exclude funding for the 12 Academies and is estimated to reduce to £91.0 million for maintained schools and high needs. In addition to funding from the DSG, schools will receive an increased Pupil Premium grant, which will provide £1,300/£935 of funding per primary/secondary pupil (2013/14 = £953/900 per pupil) who have been registered for free school meals in any of the past 6 years. Based on estimates the Pupil Premium will provide an additional £7.9 million for schools in Southend-on-Sea (both Maintained and Academy schools). This is compared to £6.2 million of Pupil Premium in 2013/14.
- 5.6 The Schools' Forum met on 15 January 2014 to consider its final recommendations for a balanced budget and confirmed their position as presented in the draft General Fund Revenue report presented to Cabinet on 21 January 2014. The final agreed position for Schools is as set out in Appendix 2.

General Fund Revenue Budget

- 5.7 This Council budget has been prepared against the background of the Coalition Government's Spending Review 2013 and a number of Budget speeches and Autumn Statements. The various Government announcements have seen the

most substantial contraction of available public sector funding, but particularly in Local Government, for decades.

- 5.8 In addition, it is based upon the Government's significant funding reform for Local Government that has been the most radical in generations. This introduced the localisation of business rates and the creation of a new local council tax support scheme as the new way in which Local Government is now funded. As a result of both the significant contraction of available funding and the financial reforms there is a consequent need to find a significant level of revenue savings over the next four financial years.
- 5.9 There has been cross party Member involvement in identifying areas where savings can be targeted and made and the outcomes of Member discussions and the various workshops undertaken have helped to formulate the budget. Using this Member input a detailed budget has been prepared by senior officers for the Cabinet to put forward that addresses the need for significant savings to be addressed and to set a balanced and robust budget. The public budget consultation has also assisted in informing the compilation of the Council's budget.
- 5.10 The draft General Fund Revenue budget for 2014/15 was considered by Cabinet on 21 January 2014. It was referred to Scrutiny Committees in late January 2014 for detailed Member consideration. The same draft budget was used to brief staff, consult with trade unions, the voluntary sector, the business sector and to brief the local press.
- 5.11 The 2014/15 General Fund revenue base budget requirement before savings and pressures is £139.023 million and available funding, including Council Tax and an assessment of its required level, is £133.374 million. After applying the required pressures of £1.670 million to the base budget there is a budget gap to find in 2014/15 of £7.319 million through departmental and corporate savings. By agreeing the proposed savings this will result in a 2014/15 revenue budget of £133.374 million (2013/14 £138.570 million). A high level budget summary of the position is set out at Appendix 3.
- 5.12 The 2014/15 revenue budgets for each Portfolio are set out in Appendices 4 to 11 and show the original budget and probable outturn for 2013/14 and the 2014/15 base budget before and after savings and pressures.
- 5.13 The various savings and pressure proposals, which total £7.319 million and £1.670 million respectively are set out fully in Departmental order in Appendices 12 to 15.
- 5.14 As part of the budget proposals, there are also some one-off growth items that are proposed to be funded for their temporary nature by the use of earmarked reserves. The two items of revenue growth are;
- School Improvement - £200,000 pa for three years. To address performance issues in schools there will be an investment for a three year period to recruit an early years adviser, a secondary education adviser and a pool resource for executive head teachers and executive deputy head teachers.

- Economic Development - £100,000 pa for two years. This investment will be for the recruitment of two officers along with a £20k project fund to support linked initiatives. This additional staffing capacity should increase funding and a contribution to the economy by providing greater exposure, funding opportunity and success for economic development projects.

- 5.15 In addition to these proposals to be funded from earmarked reserves (totalling £800,000) there is also the contribution from the earmarked reserves of £540,000 to support the transitioning of the full annual saving for the saving proposal on the closure of Priory House (Saving proposal PE18).
- 5.16 Members will note that the budget proposals now include the use of some earmarked reserves to fund some items of one-off project spending and not continued baseline spending.

Appropriations for 2014/15

- 5.17 The presentation of the budget reflects proposed net appropriations to earmarked reserves totalling £11.372 million for which separate approval is sought, full details of which are shown in Appendix 16.

Changes made since Draft Budget presented to Cabinet 21 January 2014

- 5.18 The changes from the draft budget approved by the Cabinet on 21 January 2014 are:
- The allocation of service pressures and savings proposals to individual budgets;
 - The final allocation of inter-departmental recharges;
 - The allocation of the latest position on the Dedicated Schools Grant;
 - The overall budget has also continued to be amended for minor changes for accuracy.
- 5.19 Additionally the budget now includes a provision to prepay pension contributions. 1 April 2014 saw the start of a new three year actuarial review period. Under the proposed payment options provided by the Pension Fund Actuaries, the Council is able to prepay the deficit element of the payments for the full three years in one payment rather than through equal instalments as is currently the practise. By taking this option the Council will make a significant annual net saving of £0.9 million on monies it would have had to pay over that three year period. This prepayment will be met by earmarked reserves in the first instance, but then reimbursed back to the reserves over the following two years.
- 5.20 All of these changes are cost neutral on the proposed budget.

Council Tax 2014/15 and Estimated Collection Fund Balance 2013/14

- 5.21 The Council Tax Base for 2014/15 was approved by Cabinet on 21 January 2014 at 53,755.87 (equivalent Band D properties).
- 5.22 The estimated balance on the Collection Fund at the end of 2013/14 shows a projected surplus of £1,000,000 attributable to the Council and which has been used in calculating the Council Tax, as statutorily required.
- 5.23 The proposed budget assumes a Council Tax freeze at 2013/14 levels on the Southend-on-Sea element of the total Council Tax. If this is accepted, the Council will therefore be formally accepting the Coalition Governments latest Council Tax Freeze Grant offer. If accepted this would cost the Council circa £0.504million per annum in its on-going budget and a permanent on-going reduction in its Council Tax base generating capacity. Consequently additional savings would need to be found across various Council services which would impact on all Council residents. The key difference with this year's grant offer is that it is now for two years, whereas the equivalent offer for 13/14 was only for one year. A subsequent announcement by the Secretary of State has indicated that this funding will now be merged into the on-going Local Government settlement that Council's receive to avoid any cliff edge in funding if Council's choose to accept the freeze grant. On 15 January 2014, the DCLG confirmed in a letter to all Local Authorities the above position in respect of the Council Tax Freeze Scheme for 2014/15.
- 5.24 The Cabinet may wish to bear in mind that a 1% change in Southend-on-Sea Borough Council's element of the Council Tax is £11.34 per annum for a Band D property. This equates to an amount of circa £0.610 million in the revenue budget for each 1% change. Any increase in Council Tax for 2014/15 would see the withdrawal of the Government's council tax freeze grant of £0.715m.
- 5.25 The total Council Tax payable by tax payers consists of Southend-on-Sea Borough Council, and the precepts for Essex Fire Authority, Essex Police Authority and, where applicable, Leigh-on-Sea Town Council. Their decisions on any Council Tax increase will not impact on Southend-on-Sea Borough Councils' position with the Council Tax Freeze Grant offer.

Precepts

- 5.26 Leigh-on-Sea Town Council has declared its precept for 2014/15 at £302,581 (2013/14 = £324,841). Based on their council tax base of 8,326.44, the Town Council element of the total Council Tax bill will decrease from £38.97 to £36.34 at Band D, equivalent to a decrease of 6.75% from 2013/14. This only applies to the area covered by the Town Council.

- 5.27 At this stage the precepts from the major precepting authorities (Fire and Police) are not yet finalised.
- 5.28 Essex Police Authority through the Police Commissioner has to set its precept by 1st March 2014 (after consideration by its Police & Crime Panel on 29 January 2014). The latest position is that the Police & Crime Panel is proposing a Band D Council Tax at £146.43, which is a 3.5% increase. This is subject to the referendum limit still to be set by the Government. If the referendum limit is lower than 3.5% a further proposal will be considered that increases the precept to the maximum permitted before a referendum is triggered.
- 5.29 Essex Fire Authority is due to set its precept on 12 February 2014. The current proposal is for one of three options of a freeze in the precept, a 1.49% increase or a 1.90% increase.
- 5.30 The Council Tax report for Council on 27 February will report on the final Council Tax Band D level for both the Essex Police Authority and the Essex Fire Authority.

Levies

- 5.31 The Council is required to pay relevant levying bodies, who have all now indicated their levy position for 2014/15. The final levies will be reported on in the Council Tax report for Council on 27 February. The current position for 2014/15 is identified in the table below:-

Levying Body	2013/14	2014/15
	Probable	Estimate
	Actual	
	£'000	£'000
Kent and Essex Inshore Fisheries and Conservation Authority	21	22
Flood Defence	159	159
Coroners Court	284	305
Total	464	489

The Flood Defence levy is provisional, with the Environment Agency expected to issue final bills on 13 February 2014. The Coroners Court levy is provisional and will be finalised on 14 February 2014.

6. Medium Term Financial Strategy (MTFS)

- 6.1 The Medium Term Financial Strategy that was approved in March 2013 was for a four year period up to the financial year 2016/17. It is now in the need of updating as a result of the recent Local Government Finance Settlement, changes to the projections in the current financial planning figures and a review of our service delivery plans and recently refreshed corporate priorities.

- 6.2 It is good practice to update the rolling MTFS as part of setting the Council budget and Council Tax to ensure our financial planning is fully aligned and integrated.
- 6.3 The updated MTFS for the period 2014/15 to 2017/18 is attached at Appendix 17.
- 6.4 The MTFS shows a projected further budget gap of £37.3 million for the following three financial years as follows:-

2015/16	£16.3 million
2016/17	£10.9 million
2017/18	£10.1 million
£37.3 million	

7. Staffing implications of 2014/15 budget savings proposals

- 7.1 The saving proposals outlined in this report will delete 49.5 full time equivalent (fte) posts across the Council, of which 26 are currently vacant.
- 7.2 Formal redundancy consultation with the recognised Trades Unions has commenced and all staff have been fully briefed on the implications of these proposals.
- 7.3 The staffing reductions will be managed in accordance with the Council's policies on Managing Organisational Change and Redundancy.
- 7.4 The Council's Workforce Planning Panel will continue to control recruitment to vacant posts (permanent and temporary) and, wherever possible, staff identified as 'at risk' of redundancy will be redeployed through the Talent Pool. In addition, the Council will be working with other Essex authorities and partners in order to maximise redeployment opportunities across the county region.
- 7.5 Volunteers for redundancy will also be sought in order to minimise the number of compulsory redundancies.
- 7.6 A comprehensive package of support for all staff but particularly those directly affected by these proposals has been put into place. This includes coaching and counselling, as well as practical support with job applications and money management.

8. Corporate Priorities

- 8.1 The proposed revenue budget has regard to the Council's 2014/15 Corporate Priorities, which are attached at Appendix 18.

9. Budget Consultation

9.1 The media coverage of the public sector economic situation places a worthy expectation for local authorities to engage communities in the difficult decisions that will determine what services are delivered by the Council and how.

9.2 The residents' perception survey was conducted from mid-June until the end of July 2013 to engage local residents, service users, staff, businesses and voluntary and community groups on their spending and budgetary priorities for 2014/15.

9.3 A postal survey was used in line with the LGA's guidance. 3,870 paper questionnaires were sent to the sampled addresses, with a reminder sent to non-responders early July. In total, 1,119 usable completed questionnaires were returned; representing a response rate of 29%. Sampling and weighting were applied to ensure that the data is statistically valid.

9.4 In the second section of the questionnaire, respondents were reminded that all councils across the country are facing substantial cuts in grants from central government and it is clear that to balance the budget, tough choices will have to be made on spending. In this context, all respondents were asked, in the form of an open question, to indicate which one service should be protected from cuts and which one service should be cut or reduced.

9.5 Key Findings from the Residents Perception Survey;

The public service that residents most commonly state should be protected from cuts is the health service (18%), followed by the education services (15%) and elderly services (14%).

When asked to indicate which service should be cut or reduced if the Council had to do so, the most common answer given is nothing (11%). Beneath this, approaching one in ten residents state that benefits (8%) and councillor wages, benefits and expenses (8%) should be cut.

Residents were also presented with a list of seven possible approaches the Council could take in order to make further cost savings. For each one, residents were asked to state how strongly they support or oppose it on a five point scale (strongly support to strongly oppose).

The responses indicate that people are generally resistant to change. The most commonly favoured approaches to cost savings are:

- Make more of volunteers to deliver services (70%); and
- Make more services available online (67%).

9.6 The overall results and detailed comments from the consultation have helped to inform the preparation of the 2014/15 proposed revenue budget.

9.7 The draft budget approved at Cabinet on 21 January 2014 has been presented to all three Scrutiny Committees and at a meeting of the Business Sector. The feedback from each of these scrutiny bodies is as follows;-

- People Scrutiny Committee offered no comments on the draft general fund revenue budget 2014/15, or the pressures and savings plans contained therein, in respect of their areas of responsibility;
- Place Scrutiny Committee offered no comments on the draft general fund revenue budget 2014/15, or the pressures and savings plans contained therein, in respect of their areas of responsibility;
- Policy and Resources Scrutiny Committee sought clarification on the impact of a Council Tax freeze proposal and the staffing implications arising from the proposed budget savings;
- The Business Sector meeting sought clarification on any potential impact from savings on the timescale for processing planning applications and the Government's proposals for Business Rates that are to be introduced in 2014/15.

10. Equality Impact Assessments – Making fair financial decisions

- 10.1 Each department has produced a departmental equality analysis taking into consideration any equality and cohesion impacts that restructuring their service may have on staff and service users. The results were then challenged by an internal team of officers and then by the Corporate Management Team.
- 10.2 As before the aim will be to protect delivery of key frontline services as well as highlight greater opportunities for collaborative working with partners to deliver services. Staff, Councillors, Trade Unions, Service users and residents were consulted and engaged in the process. These include but were not limited to, Chief Executive briefing sessions, Departmental Management and Team meetings, workshops and resident engagement via the budget consultation process.
- 10.3 Recommendations made in departmental supporting action plans identify how each department will aim to address and mitigate any indirect differential impact on staff and services over the coming year.
- 10.4 An overarching Equalities Analysis is attached at Appendix 19.

11. 2015/16 and Beyond

- 11.1 In addressing the national economic situation the Coalition Government has emphasised the need to look at an initial four year programme of public sector spending restraint and reconfiguration. This was reinforced in the Chancellor's annual autumn speech in December 2013 with further restriction placed on the Government's public spending plans up to 2018. The Chancellor has also just announced in the New Year the need for a further £25bn Public spending reduction in the period after the next election in 2015 with approximately half of this anticipated to come from welfare changes. The tightening and reduction of Government funding contributions to local government funding and the new Government's changes from April 2013 for the funding of Local Government, means that the current financial challenges for 2014/15 and beyond need to be seen as part of a much longer period of financial retrenchment and councils will need to consider a longer spending reduction programme than normal.

- 11.2 This report predominantly addresses, as we are required to do, a detailed budget for 2014/15 but it is also appropriate to identify the areas the Council should continue to explore in order to meet the budget constraints of future years and also tailor the services it provides and review its role within national policy and local circumstances.
- 11.3 Like all local authorities in England, Southend-on-Sea Borough Council is facing unprecedented financial challenges. The Council has, over a number of years, addressed significant funding gaps whilst also achieving improved efficiency and service delivery. In the current, and forecast, period of national financial stringency the scale of financial contraction is such as to challenge the scale, nature and purpose of the role of the Council.
- 11.4 Traditionally, and particularly over recent years, the nature of Council activity has seen an increase in the level of directly delivered services for the local populace and for local businesses and visitors. Many services have been delivered on a universal basis and free or at limited cost. As funding continues to reduce greater pressure is being placed upon the services provided by the Council and also the way in which these are delivered.
- 11.5 Since the beginning of the current national financial crisis the Council has striven to sustain its full range of services but it is increasingly likely that this approach will be unviable.
- 11.6 It is proposed that the Council will increasingly focus the delivery of its services in a targeted way, concentrating on delivering services to those residents who need the Council's help. The Council will also adopt this as an approach in tailoring the delivery of its many statutory services. To underpin this approach the Council will also reposition its role as one to help the community, its residents and businesses, to take personal control of as many factors affecting their lives as is possible.
- 11.7 The Council will adopt an increasing approach of working, and delivering services, in partnership with other agencies, the voluntary and commercial sectors, and the community itself. As part of this approach the Council will encourage the sustenance of community services in collaboration with the local communities, encouraging community capacity to operate in appropriate circumstances.
- 11.8 The Council will also seek to address critical issues such as equality, disadvantage, lack of attainment and poverty by working with communities themselves, seeking enhanced training and opportunity and by fostering and promoting the local economy and thereby enhancing opportunities for aspiration, attainment, household income and personal achievement
- 11.9 Given the financial challenge we have and are to continue to face for a number of years, a continued programme of corporate work streams will continue with this efficiency drive and to help support the identification of savings for future years. This will allow us to have a programme driving transformational change in the organisation and will allow a clear focus on delivery of the required significant savings that will be required over this period.

- 11.10 This programme of corporate work streams will have helped to deliver savings of nearly £9million over the period 2012/13 to 2014/15.
- 11.11 Over the coming year it will be extremely important to consider future year potential savings proposals in anticipation of delivering tailored services for the community whilst addressing the known budget reductions required from our total budget and reflecting the estimated significant government grant reductions. It is currently anticipated that further savings in the order of £37 million will be required from the Council's £133m annual net budget for the three years 2015/16 to 2017/18.
- 11.12 It is clear that the budget savings presented for 2014/15 cannot be repeated in successive years without the Council considering how it delivers services across the borough to avoid duplication of overheads, achieve economic delivery and still provide facilities and services valued by the community.

12. Corporate Implications

12.1 Contribution to Council's Vision & Critical Priorities

The budget strategy is an integral part of the Council's Corporate Service and Resources Planning Framework.

12.2 Financial Implications

As set out in the body of the report.

12.3 Legal Implications

None at this stage.

12.4 People Implications

The proposed budget will have an impact on staffing levels and the implications are set out in section 7 of this report.

12.5 Property Implications

None

12.6 Consultation

Consultation has taken place with the Chief Executive, Corporate Directors and their Heads of Service as part of the budget preparation process who are fully committed to working within the budget proposed. Members are being consulted through Cabinet, Scrutiny and Council but have also been fully involved through a range of Member workshops. The Business Sector have also been consulted. The feedback from the relevant Scrutiny sessions is identified in paragraph 9.7.

A Public budget consultation exercise was undertaken to inform the budget proposals.

Formal consultation on redundancies in line with employment legislation is underway with the recognised Trades Unions, and all staff directly affected by the budget proposals have been briefed. Consultation with staff and unions will continue throughout the process.

Staff have been kept abreast of progress and opportunities for contributions through personal briefings by the Chief Executive and also through written briefings.

12.7 Equalities Impact Assessment

Assessments have been carried out for proposed savings in the 2014/15 revenue budget (see section 10 and Appendix 19).

12.8 Risk Assessment

The budget proposals are subject to a Director's review of risk and robustness. These have informed the Head of Finance & Resources' Section 25 statement of the 2003 Local Government Act on the robustness of estimates and adequacy of reserves as part of this report and the report to Budget Council on 27 February 2014.

12.9 Value for Money

The proposals set out in the report reflect the Council's drive to improve value for money and to deliver significant efficiencies in the way it operates.

12.10 Community Safety Implications

Assessments have been carried out for all revenue proposals.

12.11 Environmental Impact

Assessments have been carried out for all revenue proposals.

13. Background Papers

The Local Government Finance Settlement 2014/15, DCLG

Budget working papers held by the Finance & Resources' Accountancy section.

Departmental Equality Analysis

14. Appendices

Appendix 1	S151 Officer's Statement on adequacy of balances and the robustness of the budget
Appendix 2	Schools Budget 2014/15
Appendix 3	Summary of 2014/15 General Fund Revenue Budget
Appendix 4	2014/15 budget - Adult Social Care, Health and Housing
Appendix 5	2014/15 budget - Children's & Learning Services
Appendix 6	2014/15 budget - Corporate Support Services
Appendix 7	2014/15 budget - Culture & Tourism
Appendix 8	2014/15 budget - Deputy Leader
Appendix 9	2014/15 budget - Leader (Policy/Finance)
Appendix 10	2014/15 budget - Planning
Appendix 11	2014/15 budget - Public Protection, Waste & Transport
Appendix 12	Schedule of Proposed Pressures
Appendix 13	Description of Proposed Pressures
Appendix 14	Schedule of Proposed Savings
Appendix 15	Description of Proposed Savings
Appendix 16	Appropriations
Appendix 17	Medium Term Financial Strategy
Appendix 18	Corporate Priorities 2014/15
Appendix 19	Overarching Equality Analysis