

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Corporate Management Team  
To  
Cabinet  
On  
21 January 2014

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Head of Finance & Resources

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## Draft General Fund Revenue Budget 2014/15

All Scrutiny Committees – Executive Councillor: Councillor Nigel Holdcroft

### *A Part 1 Public Agenda Item*

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#### 1. Purpose of Report

1.1. To present for consideration a 2014/15 draft revenue budget.

#### 2. Recommendations

That Cabinet;

2.1. Endorse the 2014/15 draft revenue budget and any required commencement of consultation, statutory or otherwise;

2.2. Note that the draft budget has been prepared on the basis of a Council Tax freeze and the consequent acceptance of the Government's Council Tax freeze grant offer for 2014/15;

2.3. Note that the 2014/15 draft revenue budget has been prepared using the provisional finance settlement and that the outcome from the final settlement will need to be factored into the final budget proposals for Budget Cabinet and Budget Council;

2.4. Refer the 2014/15 draft revenue budget, as approved, for the views of all Scrutiny Committees to inform Budget Cabinet, which will then recommend the Budget and Council Tax to Budget Council;

2.5. Note the Schools budget position and that the recommendations from the Schools Forum on 15th January 2014, as set out in Appendix 14 and 14(i) are referred to People Scrutiny Committee and then to Budget Cabinet and Budget Council.

2.6. Endorse the direction of travel for 2015/16 and beyond (Section 15);

### 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 draft 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, and so a report on this can also be found elsewhere on this agenda.
- 3.4. The high level decision-making timetable is shown below:

Schools Forum	4 December 2013 & 15 January 2014
Cabinet approves proposals for reference to Scrutiny Committees	21 January 2014
Cabinet approval (delegated from Council) for the 2014/15 Council Tax base of 53,755.87 equivalent Band D properties	21 January 2014
Scrutiny and Consultation Scrutiny Committees:- - Place - People - Policy & Resources  Business sector consultation	27 January 2014 28 January 2014 30 January 2014  22 January 2014
Precept announcements Leigh-on-Sea Town Council Essex Fire Authority Essex Police Authority	15 January 2014 12 February 2014 Police Commissioner by 1st March 2014  (Essex Police and Crime Panel 29 January 2014)

Cabinet recommends the Revenue Budget, Council Tax, Fees & Charges, Capital Programme and HRA to Council	13 February 2014
Council approves the revenue and capital budget, Council Tax and HRA	27 February 2014

3.5. This report presents the draft General Fund revenue budget for 2014/15 for reference to the Scrutiny Committees and the basis for consultation with the business sector.

3.6. A fuller report including the updated four year Medium Term Financial Strategy and the statutory statement by the Chief Finance Officer on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003, will be presented to the Budget Cabinet at its meeting on 13 February 2014 and to Budget Council at its meeting on 27 February 2014.

#### **4. Government Funding – Grant and Finance Settlement**

4.1. Government funding of its main grant (formerly Formula Grant) 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 represents 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.

4.2. The latest 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.

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

- (i) The provisional Settlement Funding Assessment (SFA) for 2014/15 is £69.592m. This compares to a SFA of £77.179m in respect of 2013/14 (a reduction of £7.587m and equivalent to a 9.8% reduction); the indicative funding settlement for 2015/16 is £59.813m being a further £9.779m 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. It is likely that this will be announced as part of the final Local Government settlement in mid-February and Members will be updated accordingly.
- (iv) The 2014/15 referendum limit for Council Tax increases was not announced as part of the provisional settlement (2013/14 this was set at 2%). Recent Government announcements have indicated that this referendum limit will now be set at the time of the final Local Government finance settlement in mid February. Members will be updated on the Government's eventual decision in respect of this matter.
- (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 CCGs 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 £11.619m of funds;
- (vi) The consultation on the provisional finance settlement ended on 15 January 2014. The timing of the final announcement has yet to be announced, but would normally follow shortly after the consultation period has ended. A verbal update will be given to Cabinet on any further information surrounding the final finance settlement and any implication on the setting of the Budget;
- (vii) The provisional national non-domestic rates (NNDR) poundage has been set at 48p, 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. 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 reappportion 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.

## **5. Government Funding – Dedicated Schools Grant (DSG)**

- 5.1. The Dedicated Schools Grant (DSG) was introduced in 2006/07, as a 100% specific grant to fund the Schools Budget. It excludes post-16 funding (with the exception of Special Educational Needs) and other specific grants. The Schools Budget includes funding for all maintained schools in Southend-on-Sea. It also includes other costs relating to pupil's education, mainly comprising: independent school placements, outside the Borough, for pupils with special needs; private, voluntary and independent providers of nursery education; the Southend-on-Sea Pupil Referral Unit; education out of school; behaviour support services; the admissions service; and initiatives agreed by the Schools Forum.
- 5.2. 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.
- 5.3. The total DSG for 2014/15 is £135.6 million (2013/14 = £132.7 million). In practice the final DSG will exclude funding for the 12 Academies and is estimated to reduce to £91 million for maintained schools and high needs.

## **6. Schools Budget**

- 6.1. The Schools Budget consists of delegated funding to schools and early years providers, the funding of some central services, and the funding related to individual children such as for children with special educational needs (SEN).
- 6.2. The Schools Budget is funded from the DSG. In addition, funding for post 16 students in schools is received from the Education Funding Agency.
- 6.3. The Department for Education (DfE) announced on 18 December 2013 the funding details for 2014/15 which are summarised below:
- (i) Separation of the DSG budget between Schools Block, Early Years Block and High Needs Block
  - (ii) Overall DSG funding will be protected based on the current 2013/14 funding per pupil albeit split between the various blocks.
  - (iii) The High Needs Block has been adjusted to reflect the growth in places, although figures remain indicative until final confirmation in March.
  - (iv) Schools will be protected by a Minimum Funding Guarantee (MFG) so as to lose no more than 1.5% per pupil compared to 2013/14.
  - (v) Schools will no longer be responsible for paying the Carbon Reduction Credits under the energy efficiency scheme and the DSG will be top sliced to reflect this.

6.4. The overall DSG to Southend-on-Sea for 2014/15 will be paid at:-

Schools Block	£111,004,674 (24,125 pupils @ £4,601.23 each)
Early Years Block	£6,433,676 (Provisional at 1,643 pupils @ £3,915.81 each)
High Needs Block	£15,684,000 (indicative, including placement and top up funding)
2 year old funding	£2,627,000 Private and Voluntary provision
NQT Funding	£37,000 to be delegated to schools
CRC deduction	£(176,000) Carbon Reduction Commitments to be paid centrally by DfE in 2014/15
Total DSG 2014/15	£135,610,350

6.5. Decisions on the allocation of the DSG are effectively made by the Schools Forum, although their recommendations still need to be confirmed by the Council. The Schools Forum met on 4 December 2013 and 15 January 2014 to consider the Schools Budget. Subject to Cabinet approval, budget allocations to schools will be determined by the recommendations from the Forum.

6.6. Overall schools in Southend-on-Sea should see an increase of approximately 0.2% in DSG funding per pupil in 2014/15.

6.7. 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.

6.8. As a percentage of their total budget (school formula plus pupil premium), the overall funding for schools will see an increase of circa 3% due to pupil number growth and the increased pupil premium. The change in budget for individual schools will vary depending upon pupil numbers and free school meals registration, with some seeing a larger change than 3% and some less.

6.9. Following the meeting of the Schools Forum on 15 January 2014 a breakdown is provided as Appendix 14 and 14 (i), which shows the detailed breakdown of the 2014/15 School's budget, as recommended by the Schools Forum. The schools position for 2014/15 will now be submitted to the People Scrutiny Committee on 28 January 2014, through to Budget Cabinet on 13 February 2014, and then to the Budget Council on 27 February 2014 for final agreement of the Schools Budget, based on the recommendations from the Schools Forum and the comments from the Scrutiny Committee. Following this process, final budgets will be issued to schools.

## **7. Medium Term Financial Strategy (MTFS)**

- 7.1. The Medium Term Financial Strategy that was approved in February 2013 was for a four year period up to the financial year 2016/17. It is now in need of updating as a result of the latest 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.
- 7.2. 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.
- 7.3. The MTFS for the next four year period 2014/15 to 2017/18 will, therefore, be presented as part of the budget proposals for Budget Cabinet on 13 February 2013 and Budget Council on 27 February 2014.

## **8. 2014/15 Budget Proposals**

- 8.1. 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.
- 8.2. 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.
- 8.3. 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 draft 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.
- 8.4. The draft 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 £1.670m 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 draft 2014/15 revenue budget of £133.374 million (2013/14 £138.570million). A high level budget summary of the position is set out at Appendix 1.

- 8.5. The draft 2014/15 revenue budgets for each Portfolio are set out in Appendices 2-9 and show the original budget and probable outturn for 2013/14 and the 2014/15 base budget before savings and pressures.
- 8.6. The budget identifies a number of pressures being faced by the Council, which need funding and these total £1.670 million. These are set out in detail in Appendices 10 and 11. The budget is then balanced by various savings proposals, which total £7.319 million set out fully in departmental, corporate and category management order in Appendices 12 and 13. The net effect of both the Pressures and Savings is £5.649 million.
- 8.7. 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.

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).

- 8.8. 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.
- 8.9. It is recommended that the draft budget is referred to all Scrutiny Committees and their comments considered by the Budget Cabinet on 13 February 2014 to enable the Budget Cabinet to make its recommendation on the 2014/15 budget to full Budget Council on 27 February 2014.

## **9. Staffing implications of budget savings proposals**

- 9.1. 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.
- 9.2. Formal redundancy consultation with the recognised Trades Unions has commenced and all staff have been fully briefed on the implications of these proposals.
- 9.3. The staffing reductions will be managed in accordance with the Council's policies on Managing Organisational Change and Redundancy.



- 9.4. 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.
- 9.5. Volunteers for redundancy will also be sought in order to minimise the number of compulsory redundancies.
- 9.6. 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.

## **10. Corporate Priorities**

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

## **11. Public Budget Consultation**

- 11.1. 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.
- 11.2. 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.
- 11.3. 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.
- 11.4. 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.
- 11.5. 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%).

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

## **12. Equality Impact Assessments (EIA) – Making fair financial decisions**

12.1. 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.

12.2. 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.

12.3. 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.

12.4. An overarching EIA is attached at Appendix 16.

## **13. Council Tax Base 2014/15 and Estimated Collection Fund Surplus/Deficit 2013/14**

13.1. The Council has to formally determine the Council Tax Base (the number of Band D equivalent properties) for 2014/15 and any estimated Collection Fund balance at the end of 2013/14. The Council Tax Base for 2014/15 is as reported in a separate report on this agenda for approval as delegated by Council at 53,755.87 (equivalent Band D properties) including Leigh-on-Sea Town Council.

13.2. The tax base for Leigh-on-Sea Town Council has been calculated for 2014/15 as 8,326.44 Band D equivalents.

- 13.3. The Council Tax base for Southend-on-Sea has increased as a result of a combination of more properties on the list coupled with a slightly reduced impact of discounts and exemptions. The Council Tax base for Leigh Town Council conversely has fallen slightly where the small increase in property numbers has been outweighed by an increase in discounts and exemptions.
- 13.4. The estimated balance on the Collection Fund at the end of 2013/14 will be reported formally to the Budget Cabinet on 13 February 2014. The draft budget and Council Tax implications are currently based on a projected surplus of £1.0 million attributable to the Council.

#### **14. Council Tax**

- 14.1. The draft 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 1 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. It is likely that this will be announced as part of the final Local Government settlement in mid-February and Members will be updated accordingly.
- 14.2. The Cabinet (and Scrutiny Committees) 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.
- 14.3. 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.
- 14.4. At this stage the precepts from the major precepting authorities (Fire and Police) are not yet finalised. Essex Police Authority through the Police Commissioner has by law to set it's precept no later than 1st March 2014 (after consideration by its Police & Crime Panel on 29th January 2014). No indication has been given of the relevant precept level for 2014/15. Essex Fire Authority is due to set its precept on 12th February 2014 (after consideration by its Policy & Strategy Committee on 15 January 2014). The current proposals that are being considered are either a freeze or a 1.9% increase. The precepts will form part of the formal Council Tax setting at Budget Council on 27 February 2014. As part of the draft budget, estimations have been made of the expected precept levels

pending formal approval by the precepting authorities. Any variances from that contained in the draft budget are expected to be minimal and will be contained within the overall budget proposals that will be presented to Budget Council.

## **15. 2015/16 and Beyond**

- 15.1. 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.
- 15.2. 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.
- 15.3. 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.
- 15.4. 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.
- 15.5. 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.
- 15.6. 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.

- 15.7. 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.
- 15.8. 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
- 15.9. 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.
- 15.10. This programme of corporate work streams will have helped to deliver savings of nearly £9million over the period 2012/13 to 2014/15.
- 15.11. 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 £35m to £40m will be required from the Council's £133m annual net budget for the three years 2015/16 to 2017/18.
- 15.12. 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

## **16. Corporate Implications**

### **16.1. Contribution to Council's Vision & Critical Priorities**

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

### **16.2. Financial Implications**

As set out in the body of the report.

### **16.3. Legal Implications**

None at this stage.

#### 16.4. People Implications

The draft budget will have an impact on staffing levels and the implications are set out in section 9 of this report.

#### 16.5. Property Implications

None

#### 16.6. 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.

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.

#### 16.7. Equalities Impact Assessment

Assessments have been carried out for proposed savings in the 2014/15 draft revenue budget and an overarching EIA is attached as an Appendix to this report.

#### 16.8. Risk Assessment

The budget proposals will be subject to a Director's review of risk and robustness. This will inform the Head of Finance & Resources' Section 25 statement on the robustness of estimates and adequacy of reserves to be reported to the Budget Cabinet on 13 February 2014 and Budget Council on 27 February 2014.

#### 16.9. 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.

#### 16.10. Community Safety Implications

Assessments have been carried out for all revenue proposals.

## 16.11. Environmental Impact

Assessments have been carried out for all revenue proposals.

## 17. Background Papers

17.1. The provisional finance settlement 2014/15, DCLG

17.2. Budget working papers are held in the Finance & Resources' Accountancy section.

17.3. Equality Impact Assessments

## 18. Appendices

Appendix 1	Summary of Draft 2014/15 General Fund Revenue Budget
Appendix 2	2014/15 Draft budget - Adult Social Care, Health and Housing
Appendix 3	2014/15 Draft budget – Children's & Learning Services
Appendix 4	2014/15 Draft budget - Corporate Support Services
Appendix 5	2014/15 Draft budget – Culture & Tourism
Appendix 6	2014/15 Draft budget - Deputy Leader
Appendix 7	2014/15 Draft budget – Leader (Policy/Finance)
Appendix 8	2014/15 Draft budget - Planning
Appendix 9	2014/15 Draft budget - Public Protection, Waste & Transport
Appendix 10	Schedule of Proposed Pressures
Appendix 11	Description of Proposed Pressures
Appendix 12	Schedule of Proposed Savings
Appendix 13	Description of Proposed Savings
Appendix 14	Schools Budget
Appendix 14(i)	Schools Budget
Appendix 15	Corporate Priorities 2014/15
Appendix 16	Equalities Impact Assessment