

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Corporate Management Team  
To  
**Cabinet**  
On  
22 January 2013

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Head of Finance & Resources

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## Draft General Fund Revenue Budget 2013/14

Economic and Environmental, Children & Lifelong Learning and Community Services  
& Culture 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 2013/14 draft revenue budget and a range of potential savings proposals for future years.

#### 2. Recommendations

That Cabinet;

- 2.1. Endorse the 2013/14 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 the Council increasing the Southend-on-Sea element of Council Tax by 1.75% (38p per week) and the consequent rejection of the Government's Council Tax freeze grant offer for 2013/14;
- 2.3. Note that the 2013/14 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. Note that arrangements for a discount scheme on Council Tax for Special Constables will be included in the final budget proposals;
- 2.5. Refer the 2013/14 draft revenue budget, as approved, for the views of Scrutiny Committees to inform Budget Cabinet, which will then recommend the Budget and Council Tax to Budget Council;
- 2.6. Note the Schools budget position and that the recommendations from the Schools Forum on 9th January 2013 as set out in Appendix 14 and 14(i) are referred to Children & Lifelong Scrutiny Committee and then to Budget Cabinet and Budget Council.

**2.7. Endorse the direction of travel for 2014/15 and beyond (Section 15) and the future years savings proposals (Appendix 16) and refer these to Scrutiny Committees to inform Budget Cabinet, which will then recommend the Budget and Council Tax to Budget Council;**

### **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 28 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 2013/14 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	5 December 2012 and 9 January 2013
Cabinet approves proposals for reference to Scrutiny Committees	22 January 2013
Cabinet approval (delegated from Council) for the 2013/14 Council Tax base of 53,358.9 equivalent Band D properties	22 January 2013
Scrutiny and Consultation Scrutiny Committees:- - Children & Lifelong Learning - Community Services & Culture - Economic & Environmental	28 January 2013 29 January 2013 31 January 2013
Business Rate Payers	30 January 2013
Precept announcements Leigh-on-Sea Town Council Essex Fire Authority Essex Police Authority	9 January 2013 13 February 2013 Police Commissioner by 1 <sup>st</sup> March 2013

	(Final date not yet known)
Cabinet recommends the Revenue Budget, Council Tax, Fees & Charges, Capital Programme and HRA to Council	12 February 2013
Council approves the revenue and capital budget, Council Tax and HRA	28 February 2013

- 3.5. This report presents the draft General Fund revenue budget for 2013/14 and potential savings proposals for future years for reference to the Scrutiny Committees and the basis for consultation with business rate payers.
- 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 12 February 2013 and to Budget Council at its meeting on 28 February 2013.

#### **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 2013/14 and indicative 2014/15 was issued by the Department for Communities and Local Government (DCLG) on 19 December 2013 and this represents years 3 and 4 of the Government's spending plans arising from the Spending Review 2010.
- 4.2. However, the latest Finance Settlement has also seen the most radical shift for generations in the way Local Government is to be financed from April 2013. Most general grants, such as the Early Intervention Grant and the Learning Disabilities Reform Grant, together with a number of service specific grants, have now been subsumed into the main formula settlement. There have also been a number of background technical changes to detailed components of the allocation formula.
- 4.3. The main changes however arise from the launch of the Business Rates Retention (BRR) scheme as the principle form of local government funding. In previous years, the provisional settlement announcement provided local authorities with their expected general revenue allocations for the following financial year. For 2013/14, the provisional settlement provides authorities with a combination of provisional grant allocations and their respective starting points within the BRR scheme. It also sees 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.

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

- (i) The provisional Grant settlement for 2013/14 is £77.180m. This compares to a like for like adjustment of £80.397m received in respect of 2012/13 (a reduction of £3.217m and equivalent to a 4% reduction); the indicative grant for 2014/15 is £70.346, a further 8.9% reduction;
- (ii) A number of specific grants have been rolled into the main grant;
- (iii) Some capital and specific grants are provisional and yet to be announced in full;
- (iv) A further Council Tax freeze grant has been confirmed and that Councils who freeze their Council Tax will benefit from the equivalent cash sum of a 1.0% Council Tax increase. This grant is different from the one announced in 2012/13 in that it is now for two years compared to one year in the 2012/13 Government offer. The acceptance of the grant would lead to an on-going loss in the Council's budget of circa £1.1million and also a loss in its Council Tax income generating base;
- (v) Separate NHS funding continues with the announcement of £2.949m in 2013/14. This NHS Funding is to support social care and benefit health. These sums are not in the Council's base budget and are for the two specified years only. The allocation will initially go to PCT's 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;
- (vi) The consultation on the provisional finance settlement ended on 15 January 2013. 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 47.1p, having been uplifted by RPI inflation for September 2012 of 2.6%. The associated small business poundage has been set at 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 Police Authority will receive their funding separately;
- (viii) The Public Health service will be transferred to Local Government from April 2013. The Department of Health announced on 10<sup>th</sup> January 2013 the intended allocation of funding to enable the Council to undertake this service. The allocation for 2013/14 is £7.327 million and for 2014/15 is £8.060 million.

## **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 2013/14 is £132.7 million (2012/13 = £129.6 million). In practice the final DSG will exclude funding for the 11 Academies and is estimated to reduce to £90.6 million for maintained schools.

## **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 Coalition Government consulted during 2011 on major changes to the funding of schools, but determined that those changes would not happen before the financial year 2013/14. The proposed changes have now been introduced for the commencement of the financial year 2013/14.
- 6.4. The Department for Education (DfE) announced on 19 December 2012 the funding details for 2013/14 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 2012/13 funding per pupil albeit split between the various blocks
  - (iii) The High Needs Block has been adjusted for the ending of inter-authority recoupmnt, the inclusion of Post-16 funding and growth in places.
  - (iv) Schools will be protected by a Minimum Funding Guarantee (MFG) so as to loose no more that 1.5% per pupil compared to 2012/13.
  - (v) Transitional protection for local authorities in receipt of the three year old 90% funding floor.
  - (vi) More services from the retained Schools' Budget will be delegated to schools. However the Schools Forum has agreed to pool funding for the

following three services – Behaviour Support (for one year only);  
Licences and Subscription and Staff costs (supply cover - not sickness).

6.5. The overall DSG to Southend-on-Sea for 2013/14 will be paid at:-

Schools Block	£109,440,256 (23,785 pupils @ £4,601.23 each)
Early Years Block	£6,363,500 (1,625 pupils @ £3,916.00 each)
High Needs Block	£15,034,000 including placement and top up fees
2 year old funding	£1,801,000 Private and Voluntary provision
Early Years Transition	£15,000 ending of 90% protection of 3 & 4 yr olds
NQT Funding	£36,000 to be delegated to schools
Total DSG 2013/14	£132,689,756

6.6. 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 5 December 2012 and 9 January 2013 to consider the Schools Budget. Subject to Cabinet approval, budget allocations to schools will be determined by the recommendations from the Forum.

6.7. Overall schools in Southend-on-Sea should see a small reduction of approximately 1.3% in DSG funding per pupil in 2013/14.

6.8. In addition to funding from the DSG, schools will receive an increased Pupil Premium grant, which will provide £900 of funding per pupil (2012/13 = £600 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 £1.9 million for schools in Southend-on-Sea (both Maintained and Academy schools).

6.9. As a percentage of their total budget (school formula plus pupil premium), the overall funding for schools will see a slight increase of circa 0.2% and this increase will vary for individual schools depending upon the number of pupils who are registered for free school meals with some seeing a slightly larger increase than 0.2% and some less. The full position will be identified when detailed schools budget are prepared.

6.10. Following the meeting of the Schools Forum on 9 January 2013 a breakdown is provided as Appendix 14 and 14 (i), which shows the detailed breakdown of the 2013/14 School's budget, as recommended by the Schools Forum. The schools position for 2013/14 will now be submitted to the Children & Lifelong Learning Scrutiny Committee on 28 January 2013, through to Budget Cabinet on 12 February 2013, and then to the Budget Council on 28 February 2013 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 in early March.

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

- 7.1. The Medium Term Financial Strategy that was approved in March 2012 was for a four year period up to the financial year 2015/16. It is now in 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.
- 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 2013/14 to 2016/17 will, therefore, be presented as part of the budget proposals for Budget Cabinet on 12 February 2012 and Budget Council on 28 February 2013.

## **8. 2013/14 Budget Proposals**

- 8.1. This Council budget has been prepared against the background of the Coalition Government's Spending Review 2010 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 has introduced the localisation of business rates and the creation of a new local council tax support scheme amongst a new way in which Local Government will now be 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 2013/14 General Fund revenue base budget requirement before savings and pressures is £147.761 million. Available funding, including Council Tax and an assessment of its required level, is £138.571 million, which has meant a net budget gap to find in 2013/14 of £9.190 million through directorate and corporate savings and pressures. Overall this results in a draft 2013/14 revenue budget of £138.571 million (2012/13 £130.345 million). A high level budget summary of the position is set out at Appendix 1.

- 8.5. The draft 2013/14 revenue budgets for each Portfolio are set out in Appendices 2-9 and show the original budget and probable outturn for 2012/13 and the 2013/14 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 £1.235 million. These are set out in detail in Appendices 10 and 11. The budget is then balanced by various savings proposals, which total £10.425 million set out fully in directorate, corporate and category management order in Appendices 12 and 13. The net effect of both the Pressures and Savings is £9.190 million.
- 8.7. A review of car mileage allowances paid to employees of the Council who use their own vehicle on Council business has taken place. It has been agreed to increase the current rate from 40p per mile to the HMRC rate of 45p per mile with effect from 1st April 2013. The additional cost of circa £27,000 per annum will be met from within existing Directorate budgets for 2013/14 and onwards.
- 8.8. As part of the 2012/13 budget proposals, a Member proposal was put forward for the introduction of a discount scheme on Council Tax for Special Constables residing in the Borough. It was agreed that this would be explored as part of the 2013/14 budget. The proposed scheme will be set out in the final budget proposals for Budget Cabinet on 12<sup>th</sup> February 2013 and the cost of this proposal is contained within the overall 2013/14 budget.
- 8.9. Members will note that the budget proposals follow best practice and do not include the use of one off reserves to fund continuing spending.
- 8.10. It is recommended that the draft budget is referred to the Scrutiny Committees and their comments considered by the Budget Cabinet on 12 February 2013 to enable the Budget Cabinet to make its recommendation on the 2013/14 budget to full Budget Council on 28 February 2013.

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

- 9.1. The saving proposals outlined in this report include the approximate deletion of 80 full time equivalent (fte) posts across the Council. Approximately 41 of these total posts are currently vacant (51%).
- 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 2013/14 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. Between 16th July and 2nd September, the Council used an online budget simulator to engage local residents, service users, staff, businesses and voluntary and community groups on their spending and budgetary priorities for 2013/14.
- 11.3. This is the second year the Council has used the online budget simulator and the simulator was refined for feedback on its use from the 2011 consultation exercise. Based on feedback from last year, Support Services was included as a budget area. In addition, Public Health was also included as it will move to the Council from April 2013.
- 11.4. The primary purpose of the simulator was to help people understand the complexity of the budget setting process: how challenging it is to find savings; the trade-off between services, whilst being able to see the possible consequences their budget choices could have on the different service areas.
- 11.5. Nearly 1000 individuals attempted the simulator; however because of the difficult nature of the decisions only 166 individuals actually submitted budgets achieving a 10% savings target online. This is a good return for the number of people who attempted the simulator. In addition, 8 paper questionnaires were received. The exercise was predominately planned as an online activity consequently a large paper return was not anticipated. The response figures clearly demonstrate that people want to be involved and receive the information and be given the opportunity to respond, but recognise the challenge and responsibility for the actual decision making faced by the Council. The response to the simulator demonstrates that services cannot simply be 'top-sliced', but need to be genuinely reconfigured to achieve future savings.
- 11.6. Key Findings from *Your Southend, Your Say* Budget Consultation
- Community safety is the spending area which most respondents decided to increase.

- Supporting drug & alcohol misuse is the spending area which most respondents decided to decrease.
- NHS health checks is the spending area which most respondents decided not to change.

11.7. The overall results and detailed comments from the consultation have helped to inform the preparation of the 2013/14 draft revenue budget.

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

12.1. This year each department will produce a directorate equality analysis taking into consideration any equality and cohesion impacts that restructuring their service may have on staff and service users. The results are 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 will be consulted and engaged in the process. These include but are not limited to, Chief Executive briefing sessions, Departmental Management and Team meetings, workshops and resident engagement via the online Budget simulator that took place between 16th July and 2nd September.

12.3. Recommendations made in directorate supporting action plans, will identify how each directorate will aim to address and mitigate any indirect differential impact on staff and services over the coming year.

12.4. An overarching EIA will be presented as part of the final budget report to Cabinet on 12 February 2013.

## **13. Council Tax Base 2013/14 and Estimated Collection Fund Surplus/Deficit 2012/13**

13.1. The Council has to formally determine the Council Tax Base (the number of Band D equivalent properties) for 2013/14 and any estimated Collection Fund balance at the end of 2012/13. The Council Tax Base for 2013/14 is as reported in a separate report on this agenda for approval as delegated by Council at 53,358.9 (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 2013/14 as 8,340.8 Band D equivalents.

13.3. The Council Tax bases for both Southend-on-Sea and Leigh Town Council have reduced significantly as a result of the introduction of the new Local Council Tax Support Scheme. Fuller details on the explanation behind the reductions are set out in the separate report on this agenda.

13.4. The estimated balance on the Collection Fund at the end of 2012/13 will be reported formally to the Budget Cabinet on 12 February 2013. The draft budget

and Council Tax implications are currently based on a projected surplus of £0.7 million attributable to the Council.

## **14. Council Tax**

- 14.1. The draft budget assumes a Council Tax increase in the Southend-on-Sea element of the total Council Tax of 1.75%. If this is accepted, the Council will therefore be formally rejecting the Coalition Governments latest Council Tax Freeze Grant offer. If accepted this would cost the Council circa £1.1million 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 but only offers 1% of Council Tax in return for a Council Tax freeze.
- 14.2. A 1.75% increase at the Band D level for the Southend-on-Sea element of the Council tax is 38p per week.
- 14.3. 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 £11.18 per annum for a Band D property. This equates to an amount of circa £0.6 million in the revenue budget for each 1% change.
- 14.4. 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.
- 14.5. 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 to set its precept by 1st March 2013 (after consideration by its Police & Crime Panel on 31st January 2013). No indication has been given of the relevant precept level for 2013/14. Essex Fire Authority is due to set its precept on 13th February 2013 (after consideration by its Policy & Strategy Committee on 16th January 2013). The current proposal is for a precept of £66.42 (The same as for 2012/13). The precepts will form part of the formal Council Tax setting at Budget Council on 28 February 2013. 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. 2014/15 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 November 2011 and December 2012 with further restriction placed on the Government's public spending plans up to 2018. The tightening and reduction of Government funding contributions to local

government funding and the Government's changes from April 2013 for the funding of Local Government, means that the current financial challenges for 2013/14 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 2013/14 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 has helped to deliver savings proposals of nearly £8million over 2012/13 and 2013/14.
- 15.11. Over the coming year, and in anticipation of delivering tailored services for the community whilst addressing the known budget reductions required from our total budget of a further circa 20% to 25% for the three years 2014/15 to 2016/17, it is important to consider future year potential savings proposals. Therefore, officers have produced a range of savings proposals for Members consideration and agreement as part of the 2013/14 budget process to enable these to be adequately progressed for implementation over the next few financial years to assist in bridging the required budget reductions. The proposals are set out at Appendix 16.
- 15.12. It is clear that the budget savings presented for 2012/13 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
- 15.13. Whilst looking for further savings in 2013/14 it may be necessary to consider our continued membership of the Local Government Association (LGA) and therefore this report notes the continued formal position for officers to provide a rolling annual notice to the LGA of our intention to end our membership, given the 1 year notice period required.

## **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 2013/14 draft revenue budget and an overarching EIA will be presented to Cabinet on 12 February 2013.

#### 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 12 February 2013 and Budget Council on 28 February 2013.

#### 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 2013/14, 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 2013/14 General Fund Revenue Budget
Appendix 2	2013/14 Draft budget - Adult Social Care, Health and Housing
Appendix 3	2013/14 Draft budget – Children's & Learning Services
Appendix 4	2013/14 Draft budget - Corporate Support Services
Appendix 5	2013/14 Draft budget – Culture & Tourism
Appendix 6	2013/14 Draft budget - Deputy Leader
Appendix 7	2013/14 Draft budget – Leader (Policy/Finance)
Appendix 8	2013/14 Draft budget - Planning
Appendix 9	2013/14 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 14/14(i)	Schools Budget
Appendix 15	Corporate Priorities 2013/14
Appendix 16	Future Years Savings Proposals