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Southend-on-Sea Borough Council

Department for Corporate Services

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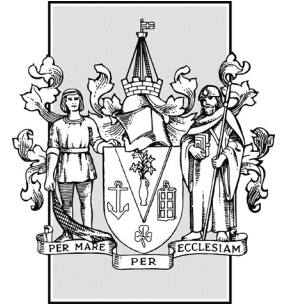
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Dear Councillor

CABINET - THURSDAY, 11TH FEBRUARY, 2016

Please find enclosed, for consideration at the next meeting of the Cabinet taking place on Thursday, 11th February, 2016, the following report(s) that were unavailable when the agenda was printed.

Agenda No	Item
7.	General Fund Revenue Budget 2016/17 (Pages 1 - 158) Report of Corporate Management Team

Yours faithfully

Colin Gamble
Group Manager - Democratic Services

Encs

Distribution

1. Agenda and reports to all Members of the Cabinet

Southend-on-Sea Borough Council

Agenda
Item No.

7

Report of Corporate Management Team
to
Cabinet
On
11 February 2016

Report prepared by: Joe Chesterton
Head of Finance & Resources

General Fund Revenue Budget 2016/17

All Scrutiny Committees

Executive Councillor: Councillor Ron Woodley

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present a 2016/17 General Fund revenue budget including schools and a proposal for the level of Council Tax for 2016/17.

2. Recommendations

That the Cabinet recommend to Council that it;

In respect of 2015/16;

- (i) Note the forecast outturn of £126.093 million;**
- (ii) Approve the appropriation of the sums to earmarked reserves totalling £5.624 million, as set out in detail in Appendix 15;**
- (iii) Approve the appropriation of the sums from earmarked reserves totalling £6.853 million, as set out in detail in Appendix 15.**

In respect of 2016/17 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 2016/17 of £123.206 million (Appendix 3) and any required commencement of consultation, statutory or otherwise;**

- (vi) Approve a Council Tax increase of 1.99% for the Southend-on-Sea element of the Council Tax for 2016/17;
- (vii) Approve an Adult Social Care precept of 2%;
- (viii) Note that the Council's preceptors Essex Police and Fire Authorities have yet to formally meet to agree their Council Tax levels for 2016/17 and the Leigh-on-Sea Town Council has confirmed its precept of £391,550 and a consequential increase of 5.67% in their Council Tax;
- (ix) Approve that no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2016/17;
- (x) Approve the appropriation of the sums to earmarked reserves totalling £5.785 million, as set out in Appendix 15;
- (xi) Approve the appropriation of the sums from earmarked reserves totalling £9.659 million, as set out in Appendix 15;
- (xii) Approve the schools' budget and its relevant distribution as recommended by the Schools' Forum and as set out in Appendix 2;
- (xiii) Approve the pressures required of £1.355 million (Appendices 11 and 12) and the General Fund and Public Health savings required of £10.467 million (Appendices 13 and 14) and the subsequent individual service cash limits for 2016/17, as contained in Appendices 3 to 10;
- (xiv) Endorse the direction of travel for 2017/18 and beyond (Section 11);
- (xv) Approve the revised Medium Term Financial Strategy up to 2019/20 (Appendix 16).

That Cabinet;

- (xvi) Delegates authority to the Head of Finance and Resources (S 151 Officer) in consultation with the Leader to make the required changes to the Council Budget following the final Local Government Finance settlement and other related Government announcements including Public Health.

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 25 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 2016/17 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 levels 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 2016/17.
- 3.4 This report presents the proposed 2016/17 General Fund revenue budget of the Cabinet for recommendation to the Council at its meeting on 25 February 2016. It builds on the draft budget approved for consultation by the Cabinet at its meeting on 19 January 2016. It also now provides the latest position on the forecast outturn for 2015/16.
- 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 2015/16

- 4.1 The original budget for 2015/16 totalled £126.093 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 2015/16 amounts to £126.093 million requiring no transfer to revenue balances, so as to reconcile back to available grant and council tax. This forecast outturn includes a net appropriation from earmarked reserves totalling £1.229 million, details of which are shown in Appendix 15.
- 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 the end of 2015/16 will be considered as part of the out turn report for 2015/16, which will be presented to the Cabinet in June 2016.

5 Budget 2016/17

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 2016/17 was issued by the Department for Communities and Local Government (DCLG) on 17 December 2015 and this represented the Government's next four year spending plans. The final Local Government Settlement is now due to be announced in the week commencing 8th February 2016. Therefore, this report is based upon data in the provisional finance settlement.
- 5.2 The latest Finance Settlement maintains the key changes in the way that Local Government is now financed, which were 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 Revenue Support Grant (RSG) allocation and confirmation of Business Rates top up grant.
- 5.3 However, a key change to this year's settlement is the Government's recognition of the demand and demographic expenditure pressures on Adult Social Care and the ability for Local Authorities to now implement an Adult Social Care precept of up to 2% to support the growing expenditure on Council budgets in this area.
- 5.4 The provisional settlement sets out the Government's intention to roll the Care Act grant (£1.116m in 2015/16) into the RSG, along with some minor flood related grants.
- 5.5 The key points arising from the provisional settlement for Southend-on-Sea Borough Council are:-
- (i) The Settlement Funding Assessment (SFA) (a combination of actual RSG and estimated business rates income) for 2016/17 is £53.639m. This compares to an adjusted SFA of £61.803m in respect of 2015/16 (a reduction of £8.164m and equivalent to a 13% reduction);
 - (ii) The RSG element for 2016/17 within the provisional SFA is £21.338m. This compares to an adjusted RSG of £29.769m in respect of 2015/16 (a reduction of £8.431m and equivalent to a 28% reduction);
 - (iii) The settlement provides indicative figures for a four year period (2016/17 to 2019/20), however this requires a sign off from the Council and the detail surrounding the offer is still under consultation;

- (iv) Some capital and specific grants are still provisional and yet to be announced in full;
- (v) The settlement indicates that no Council Tax freeze grant is being offered by the Government this year;
- (vi) The 2016/17 referendum limit for Council Tax increases has been advised at a level of 2% and confirmation will be part of the final settlement (2015/16 was also set at 2%);
- (vii) For 2016/17, funding to support social care and benefit health is being continued through the Better Care Fund; a pooled budget between the Council and Southend Clinical Commissioning Group (CCG). The settlement has not indicated what the terms of the Better Care Fund are for 2016/17 but that these were to be announced in January/February. Once announced the Council will have a better understanding of the pooled budget from existing NHS and Council resources will be in comparison to 2015/16. The proposed budget assumes that the Council's share of the BCF will at least remain unchanged given the lack of an announcement from Government.
- (viii) The consultation on the provisional finance settlement ended on 15 January 2016 and this has informed the final settlement, which is due in the week commencing 8th February 2016;
- (ix) The small business non-domestic rates (NNDR) poundage (multiplier) has been set at 48.4p, having been uplifted 0.80% in accordance with the RPI inflation for September 2015. The associated non-domestic poundage has been set at 49.7p. 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;
- (x) The Public Health service grant allocation for 2016/17 is not yet known and the Department of Health had recently indicated that this would be announced towards the end of January 2016. At the time of writing this report the Council is still awaiting the formal allocation from the Department of Health.

5.6 It is extremely disappointing that the Government has further delayed the announcement of the settlement, as it does not assist Local Authorities in finalising their budget plans for 2016/17. In addition, there are other Government announcements yet to be made most notably the Public Health Grant allocation, the terms for the Better Care Fund for 2016/17, relevant housing legislation and regulations for the format of the Council Tax bill with the introduction of the Adult Social Care precept now to be included.

- 5.7 Normally, the difference in Government grant allocation between the provisional and final settlement is minimal and is dealt with in the final budget report to Cabinet. However, it is not possible to do that given the uncertainty of when the announcement will be made.
- 5.8 Therefore delegated authority is recommended for the Head of Finance and Resources (S 151 Officer) in consultation with the Leader to finalise the Council budget in time for Budget Council on 25th February 2016 once the settlement and other matters are announced.
- 5.9 If there is less Government grant this will be dealt with by an adjustment to the contingency and if there is more allocated then this will be transferred to earmarked reserves. In respect of Public Health the budget to be aligned to the grant taking into account the £381,000 savings already proposed.
- 5.10 The actions taken under this delegation will form part of the final budget report to the Council.

Government Funding – Dedicated Schools Grant (DSG)

- 5.11 The DSG is now mainly based on pupil numbers in the October before the beginning of each financial year, plus an estimate for the Early Years Block, plus an allocated High Needs Block, allowing an estimate of total grant to be made in order for local authorities to calculate individual school budgets in February.
- 5.12 The total DSG for 2016/17 is £140.1 million (2015/16 = £137.3 million). In practice the final DSG will exclude funding for Academies and is estimated to reduce by at least £61 million to £79.1 million for maintained schools and high needs.
- 5.13 In addition to funding from the DSG, schools will receive Pupil Premium grant, which will provide £1,320/£935 of funding per primary/secondary pupil (2015/16 = £1,320/£935 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 £8 million for schools in Southend-on-Sea (both Maintained and Academy schools). This is compared to £8 million of Pupil Premium in 2015/16.
- 5.14 The Schools' Forum met on 13 January 2016 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 19 January 2016. The final agreed position for Schools is as set out in Appendix 2.

General Fund Revenue Budget

- 5.15 This Council budget has been prepared against the background of the Governments' spending plans through various Budget speeches, the Chancellor's Autumn Statement and the Local Government finance settlement. The various Government announcements continue to see the most substantial contraction of available public sector funding, but particularly in Local Government, for many decades.
- 5.16 In addition, it continues to be based upon the Government's significant funding reform for Local Government that has been the most radical in generations. As a result of both the significant contraction of available funding and the financial reforms there is a consequent need to continue to find a significant level of revenue savings over the next four financial years at least on par with the last four year period.
- 5.17 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 All Member Budget Session undertaken on 18 November 2015 have helped to formulate the budget. Using this Member and portfolio holder 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 various budget consultation has also assisted in informing the compilation of the Council's budget.
- 5.18 The draft General Fund Revenue budget for 2016/17 was considered by Cabinet on 19 January 2016. It was referred to Scrutiny Committees in late January 2016 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.
- 5.19 The 2016/17 General Fund revenue base budget requirement before savings and pressures is £130.646 million and available funding, including Council Tax, Business rates and Government grant (excluding the Adult Social Care precept) is £121.915 million. After applying the required pressures of £1.355 million to the base budget there is a budget gap to find in 2016/17 of £10.086 million through departmental savings. By agreeing the proposed savings of £10.086 million (excluding Public Health savings of £0.381 million, as these savings are ring fenced against the Public Health grant allocation) this will result in a 2016/17 revenue budget of £121.915 million (2015/16 £126.093 million). A high level budget summary of the position is set out at Appendix 3. Following the adjustments for the new Adult Social Care Precept of £1.291 million this will now result in a proposed 2016/17 revenue budget of £123.206 million (2015/16 £126.093 million).
- 5.20 The 2016/17 revenue budgets for each Portfolio are set out in Appendices 4 to 10 and show the original budget and probable outturn for 2015/16 and the 2016/17 base budget before and after savings and pressures.

- 5.21 The various savings and pressure proposals, which total £10.467 million (including Public Health) and £1.355 million respectively are set out fully in Departmental order in Appendices 11 to 14.
- 5.22 As part of the budget proposals, there are also some one-off growth items totalling £375,000 that are proposed to be funded for their temporary nature by the use of earmarked reserves. The four items of revenue growth are;
- Southend Pier - £150,000 for one year. This is to undertake a detailed feasibility study for options on replacing the ageing pier railway and determining an optimum outcome for the vacant platform area;
 - Economic Development - £50,000 pa for 2016/17 and 2017/18. This is to further enable one-off research and support for the promotion of the Town;
 - Pupil support for 11 plus coaching in School holidays - £25,000 for one year
 - Public Health - £100,000 for one year. This sum is to facilitate resident debate and engagement around public health, health and social care, independent living and forthcoming demographic and funding challenges.
- 5.23 Members will note that the budget proposals do not include the use of earmarked reserves to fund the balancing of the 2016/17 core budget but do allow for their use on the above items of one-off project spending. The use of £1.888 million of reserves in setting the 2015/16 budget to allow the smoothing of the budget gap were replenished as part of the closure of the 2014/15 accounts.

Appropriations for 2016/17

- 5.24 The presentation of the budget reflects proposed net appropriations from earmarked reserves totalling £3.874 million for which separate approval is sought, full details of which are shown in Appendix 15.

Changes made since Draft Revenue Budget presented to Cabinet 19 January 2016

- 5.25 The changes from the draft budget approved by the Cabinet on 19 January 2016 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;
 - The inclusion of a further one-off growth item in 2016/17 for Public Health.

5.26 All of these changes are cost neutral on the proposed budget.

Council Tax 2016/17 and Estimated Collection Fund Balance 2015/16

5.27 The Council Tax Base for 2016/17 was approved by Cabinet on 19 January 2016 at 55,701.27 (equivalent Band D properties).

5.28 The estimated balance on the Collection Fund at the end of 2015/16 shows a projected surplus of £1 million attributable to the Council and which has been used in calculating the Council Tax, as statutorily required.

5.29 The proposed budget assumes a Council Tax increase at 1.99% on the Southend-on-Sea element of the total Council Tax. There are no implications arising from this increase for a Council Tax freeze grant, as the Government has not offered one this year.

5.30 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 £11.60 per annum for a Band D property. This equates to an amount of circa £0.65 million in the revenue budget for each 1% change.

5.31 The proposed Council Tax increase of 1.99% will mean a Band D level of £1,182.64 per annum on the Southend-on-Sea element of the Council Tax (2015/16 the Band D level is £1,159.56). This equates to an annual increase of £23.08 and a weekly increase of 44p.

5.32 The total Council Tax payable by tax payers consists of Southend-on-Sea Borough Council and the precepts for Essex Fire Authority, Essex Police & Crime Commission, Adult Social Care and, where applicable, Leigh-on-Sea Town Council.

Precepts

5.33 Leigh-on-Sea Town Council has proposed its precept for 2016/17 at £391,550 (2015/16 = £361,694). Based on their council tax base of 8,645.94, the Town Council element of the total Council Tax bill will increase from £42.84 to £45.27 at Band D, equivalent to an increase of 5.67% from 2015/16. This only applies to the area covered by the Town Council. The final decision was made at an extraordinary meeting of the Town Council on 2 February 2016.

5.34 Essex Police Authority through the Police Commissioner has by law to set its precept no later than 1st March 2016 (after consideration by its Police & Crime Panel on 29 January 2016). The latest position is that the Police & Crime Panel is proposing a Band D Council Tax at £152.10 (£147.15 for 2015/16), which is a 3.36% increase. This has been formally announced as the final decision.

5.35 Essex Fire Authority is due to set its precept on 17 February 2016. The current position as reported at its Policy & Strategy Committee on 13th January 2016 is that the precept is proposed to increase by 1.90% so the Band D level increases to £67.68 (£66.42 for 2015/16).

- 5.36 The Council Tax report for Council on 25 February will report on the final Council Tax Band D level for both the Essex Police Authority and the Essex Fire Authority.
- 5.37 In addition, the proposed budget also assumes a new Adult Social Care precept at a level of 2%. The ability to apply this precept has been introduced by the Government as part of this year's Local Government financial settlement. It has been introduced to assist with the increasing demand and demographic expenditure pressures from Adult Social Care that Local Government has been experiencing and are continuing to face. The proposed increase of 2% would raise £1.291 million and equates to an annual increase of £23.18 and a weekly increase of 45p. It is proposed that the Adult Social Care precept be used to support the service in two ways;
- The savings proposals at Appendices 13 and 14 include two proposals totalling £3m (PE1 and PE2) that will require significant service redesign. As such it will take some time until the full savings are realised. It is proposed that £0.691 million of the new precept is used to enable the transition and delivery of the savings over a two year period.
 - To support the delivery of the service redesign, there is a need for some initial investment to enable old and new style services to be run side by side to enable a safe transition. These total £0.6 million and are as follows;
 - £150,000 - Overnight support for older people reducing the long term use of care;
 - £250,000 – Additional services to reduce admissions for residential care and high cost packages;
 - £200,000 – Mental Health Intensive Enablement

Levies

- 5.38 The Council is required to pay relevant levying bodies, who have all now indicated their levy position for 2016/17. The final levies will be reported on in the Council Tax report for Council on 25 February. The current position for 2016/17 is identified in the table below:-

Levying Body	2015/16	2016/17	Percentage
	Probable	Estimate	increase
	Actual		
	£'000	£'000	%
Kent and Essex Inshore Fisheries and Conservation Authority (Provisional)	21.5	21.5	0.0
Flood Defence – Environment Agency (Final)	169.3	178.0	5.1
Coroners Court (Provisional)	338.0	371.5	9.9
Total	528.8	571.0	

The Kent and Essex Inshore Fisheries and Conservation Authority levy is provisional and is proposed at the same level as 2015/16. The Flood defence levy is final and the reason for the increase is due mainly to a 5% increase from the Anglian Eastern Regional Flood and Coastal Committee. The Coroners

Court levy is provisional and the key reason for the significant increase in the Coroners court levy is due to an increase in their baseline costs to reflect increased cases.

6. Medium Term Financial Strategy (MTFS)

- 6.1 The Medium Term Financial Strategy that was approved in February 2015 was for a four year period up to the financial year 2018/19. 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 2016/17 to 2019/20 is attached at Appendix 16.
- 6.4 The MTFS shows a projected further budget gap of £28.1 million for the following three financial years as follows:

2017/18	£12.4 million
2018/19	£8.4 million
2019/20	£7.3 million
£28.1 million	

7. Staffing implications of 2016/17 budget savings proposals

- 7.1 The saving proposals outlined in this report will delete 59.6 full time equivalent (fte) posts across the Council, of which 19.4 (33%) 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 2016/17 Corporate Priorities, which are attached at Appendix 17.

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 Council continues to invite and receive feedback on its services from residents, businesses, voluntary sector and visitors, and has publicised the challenges of reduced funding and the impact this is likely to have next year and beyond. In addition the Leader of the Council has visited (and continues to visit) a number of community groups to outline these challenges and to discuss where the Council needs to prioritise its resources in the future.
- 9.3 The overall results and comments from the consultation have continued to help inform the preparation of the 2016/17 proposed revenue budget.
- 9.4 The draft budget approved at Cabinet on 19 January 2016 has been presented to all three Scrutiny Committees and at meetings of the Business Sector and Voluntary Sector. The feedback from each of these scrutiny bodies is as follows:-

Place Scrutiny - comments made regarding the Waste Contract saving and the equalisation approach through the Waste Management Reserve;

People Scrutiny – views expressed regarding the construction and use of the Adult Social Care precept;

Policy & Resources – views expressed on the saving for Outlook and also the contributions to/from earmarked reserves in the revenue draft budget;

Business Sector – comments regarding the move to 100% business rates retention and the continuation of Small Business rate Relief;

Voluntary Sector – comments on the pressure for Civic Centre cleaning and the position on the Better Care Fund.

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 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 EIA is attached at Appendix 18.

11. 2017/18 and Beyond

- 11.1 In addressing the national economic situation and following the Emergency Budget in July 2015 the Government has emphasised the need to look further at a four year programme of public sector spending restraint and reconfiguration. This was reinforced in the Chancellor's annual autumn speech/Spending review in December 2015 with further restriction placed on the Government's public spending plans up to 2020. 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 2017/18 and beyond will continue. This needs to be seen as part of an extended period of financial retrenchment similar at least to the previous four years that Local Government has already encountered and that councils will need to consider a much longer spending reduction programme than previously identified by Central Government.
- 11.2 This report predominantly addresses, as we are required to do, a detailed budget for 2016/17 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 national fiscal situation 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 The Council will also seek to explore innovative income generation opportunities that will assist with increasing the Council's revenue sources to assist with bridging the significant budget gap the Council has to deliver. In addition, there is the intention to look greater at commercial opportunities for services of the Council.
- 11.10 Given the financial challenge we have and are to continue to face for a number of years, a continued programme of corporate working 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.
- 11.11 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 arising from the Spending Review in late 2015, that further savings in the order of £28m will be required from the

Council's circa £123m annual net budget for the three years 2017/18 to 2019/20.

- 11.12 It is clear that the budget savings presented for 2016/17 cannot be continually 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 involved through a Member workshop.

The Leader of the Council has undertaken a range of meetings with community and voluntary sector groups to outline the budget challenges the Council faces and listen to their ideas and areas of priority. Consultation with staff and unions will continue throughout the process. Briefings for local businesses and the voluntary sector have been undertaken to give them an opportunity to find out more about what is in the planned draft budget from the Leader and Chief Executive of the Council.

Staff have been kept abreast of progress and opportunities for contributions through personal briefings by the Chief Executive, a dedicated 'speak up' email suggestion inbox and through written briefings.

12.7 Equalities Impact Assessment

Assessments have been carried out for proposed savings in the 2016/17 revenue budget and an overarching EIA is attached as Appendix 18 to this report.

12.8 Risk Assessment

The budget proposals have been 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 25 February 2016.

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 2016/17, DCLG

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

Equality Impact Assessments

14. Appendices

Appendix 1	S151 Officer's Statement on adequacy of balances and the robustness of the budget
Appendix 2	Schools Budget 2016/17
Appendix 3	Summary of 2016/17 General Fund Revenue Budget
Appendix 4	2016/17 budget - Adult Social Care & Health
Appendix 5	2016/17 budget - Children & Learning
Appendix 6	2016/17 budget - Community & Organisational Development
Appendix 7	2016/17 budget - Enterprise, Tourism & Economic Development
Appendix 8	2016/17 budget - Leader
Appendix 9	2016/17 budget - Public Protection, Waste & Transport
Appendix 10	2016/17 budget – Housing & Regulatory Services
Appendix 11	Schedule of Proposed Pressures
Appendix 12	Description of Proposed Pressures
Appendix 13	Schedule of Proposed Savings
Appendix 14	Description of Proposed Savings
Appendix 15	Appropriations
Appendix 16	Medium Term Financial Strategy
Appendix 17	Corporate Priorities 2016/17
Appendix 18	Equality Analyses supporting budget proposals

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BUDGET 2016/17**SECTION 151 OFFICER'S STATEMENT ON ADEQUACY OF BALANCES
AND THE ROBUSTNESS OF THE BUDGET****1. Introduction**

The Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- (1) *Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Great London Authority) applies is making calculations in accordance with that section, the Chief Finance Officer of the authority must report to it on the following matters-*
- (a) *The robustness of the estimates made for the purposes of the calculations, and*
- (b) *The adequacy of the proposed financial reserves.*
- (2) *An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This paper has to be considered and approved by full Council as part of the budget approval and Council Tax setting process.

This document concentrates on the General Fund 2016/17, the Housing Revenue Account and Capital Programme, but in addition it also considers key medium term issues faced by the Council.

2. Assurance Statement of the Council's Section 151 Officer (Head of Finance and Resources)

The following are the summary assurances and recommendations of the Council's Section 151 Officer (currently the Head of Finance and Resources). They must be read in conjunction with the supporting statement in this Appendix, which together make up the Section 151 Officer's statutory duty to report under Section 25 of the Local Government Act 2003.

1. In relation to the 2016/17 General Fund Revenue budget I have examined the budget proposals and I believe that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given the political and management will to implement the changes, good management, and the sound monitoring of performance and budgets. I am satisfied that sufficient management processes exist within the Council to deliver this budget and to identify and deal with any problems which may arise unexpectedly during the year.
2. The key process risks in making the above statement are the comparatively low resources within the Council, compared to other Unitary Authorities, dedicated to providing financial support services and advice to managers, which will need the finance teams to be focused on key risk budgets.
3. My recommendations are also conditional upon:
 - The agreement of the Medium Term Financial Strategy for 2016/17 to 2019/20;
 - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic, and shows a clear commitment to prudent contingency planning. It must be noted, however, that the recommended levels of reserves could leave the Council exposed to the very exceptional risks identified in this review and, if those risks crystallise, to reserves being inadequate;
 - Portfolio holders, Directors and managers not exceeding their cash limits for 2016/17 (and future years covered by the Medium Term Financial Strategy);

- Taking every opportunity to meet the Reserves Strategy as a first call on windfall underspends;
 - Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Reserves Strategy (reviewed annually) is met. Even in those circumstances, it is not prudent to finance ongoing spending from one-off reserves. Any excess reserves should be targeted towards business transformation (including redundancies and invest to save), contributions to support capital outlay, Local Government funding changes and Welfare Reform changes.
 - Where there is a draw-down on reserves, which causes the approved Reserves Strategy to be off target, that this is replenished as part of a revised Medium Term Financial Strategy;
 - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
4. In relation to the adequacy of reserves, I recommend the following Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances.
- (i) An absolute minimum level of General Fund reserves of £8 million that is maintained throughout the period between 2016/17 to 2019/20;
 - (ii) An optimal level of reserves of £10 million over the period 2016/17 to 2019/20 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
 - (iii) A maximum recommended level of reserves of £12 million for the period 2016/17 to 2019/20 to provide additional resilience to implement the Medium Term Financial Strategy;
 - (iv) A Reserves Strategy to remain within the recommended level of reserves over the relevant period of 2016/17 to 2019/20.

5. The estimated level of unallocated General Fund reserves at 31 March 2016, based on current projections is circa £11 million depending on the final outturn position. Therefore:
- (i) The absolute minimum level of reserves of £8 million is currently being achieved;
 - (ii) The optimal level of reserves of £10 million criteria is being achieved for 2015/16 if departments spend against budget as currently projected;
 - (iii) The maximum level of reserves of £12 million is not being exceeded;
 - (iv) Reserves should remain within the recommended range of reserves during 2016/17. This is subject to resources set aside for redundancy costs proving adequate and the cash limited budget for 2016/17 being met.
6. These recommendations are made on the basis of:
- (i) The risks identified in the Directors' reviews of their budgets;
 - (ii) My own enquiries during the development of the current budget;
 - (iii) The resilience required to deliver the Medium Term Financial Strategy;
 - (iv) One-off unallocated reserves not being used to fund new on-going commitments;
 - (v) That the reserves in 2016/17 and the foreseeable future are used only if risks materialise and cannot be contained by management or policy actions.
 - (vi) That where reserves are drawn down, the level of reserves is restored in line with the latest Medium Term Financial Strategy.
7. There are also serious exceptional risks which, if they crystallise, could significantly impact the Council's reserves and leave its financial standing seriously in question. These include :
- (i) The potential for cliff slips, pier remediation works and any other unforeseen Council owned infrastructure issues;

- (ii) Waste Management – the Council has entered into a contract to develop long term facilities for waste disposal and also an intermediate strategy to comply with targets to reduce the amount of waste going to landfill. The full financial ongoing impact of the longer term facilities over a 30 year period, which will be costly, will not crystallise until full financial delivery on the overall scheme as part of a Joint Working Agreement with Essex County Council;
 - (iii) The new 16 year Waste Management and Street Cleansing contract.
 - (iv) The financial implications from the Care Act and other welfare reform changes and other associated Housing legislation;
 - (v) The risk surrounding the non-delivery of savings within the circa £10.5 million savings package for 2016/17;
 - (vi) The extreme financial issues for the public sector arising from the prevailing and continuing national and local conditions;
 - (vii) The risk of even further significant reductions in Government grant funding, particularly in relation to:
 - The re-localisation of Business Rates and related growth and decline in the Council’s base;
 - Academies funding;
 - The Local Council Tax Support Scheme with reduction in subsidy funding and no protection for caseload increases;
 - Further changes to the way in which Local Government is financed by Government;
 - Future Government changes in policy and funding for Local Government;
 - The need to address the Country’s ongoing Public Sector Borrowing Requirement (PSBR) and the structural financial deficit.
 - (viii) Insurance Claims
8. In relation to the Housing Revenue Account (HRA) in 2016/17 and the medium to long term:
- (i) Given the current status of housing management provision the recommendation is that general reserves be maintained at the target figure of £3m;
 - (ii) A 2016/17 budget has been agreed with South Essex Homes Ltd. to maintain a balanced HRA;

- (iii) Forward projections for the HRA beyond 2016/17 are being remodelled. In addition, this is linked to the HRA's own Medium Term Financial Strategy for the period 2016/17 to 2018/19.

The current position demonstrates that it is possible to:

- Maintain a balanced HRA throughout that period;
- Meet current level of capital investment; and
- Repayment of required debt

9. In relation to the General Fund and HRA Capital Programme 2015/16 to 2019/20 (including commitments from previous years and new starts):
- (i) The HRA Capital Programme will need to be contained within the total programme cost;
- (ii) The General Fund Capital Budget is substantial but is based on the best information available in terms of project costs. What is less certain is the phasing of expenditure;
- (iii) The key strategic schemes identified in the Capital Programme will be closely monitored in-year;
- (iv) That the funding identified for the approved Capital Programme is delivered and is prudent, affordable and sustainable.
10. In relation to the medium/long term Capital Programme:
- (i) The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities.

Assurance

Given all these factors, I, as the Council's Section 151 Officer, consider the estimates for 2016/17 to be sufficiently robust but challenging for approval by the Council. I am also able to advise the Council that the level of General Fund Reserves is adequate and to recommend a Reserves Strategy which is achievable by 2016/17.

3. Supporting Statement

a. Processes

Budget estimates are exactly that – estimates of spending and income made at a point in time and which will change as circumstances change. This statement about the robustness of estimates cannot give a 100% guarantee about the budget but gives Members reasonable assurance that the budget has been based on the best available information and assumptions available at the time.

In order to meet the requirement on the robustness of estimates a number of key processes have been put in place, including:

- The issuing of clear guidance to Departments on preparing budgets;
- The development of Council wide risk assessment;
- The use of budget monitoring and its escalation process to identify risks;
- The Council's S151 Officer providing advice throughout the process of budget preparation and budget monitoring;
- The Corporate Directors' review of their budgets and budget sensitivities;
- A review of budget proposals by CMT from June 2014 to February 2015;
- A review of budget proposals by Executive Members from September 2014 to February 2015;
- Enquiries made directly by the Section 151 Officer and Finance Officers

Notwithstanding these arrangements, which are designed to test the budget throughout its various stages of development, considerable reliance is placed on the Directors and Heads of Service having proper arrangements in place to identify issues, project costs, service demands, to consider value for money and efficiency, and to implement changes in their service plans. This is supported by appropriately qualified financial staff.

A summary of the key budget assumptions considered by Departments in terms of assessing the robustness of their budgets are shown below;

- The treatment of inflation and interest rates.
- The treatment of demand led pressures.
- The treatment of efficiency savings/productivity gains.
- The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments.
- The availability of other funds to deal with major contingencies.

- The Department's track record in budget and financial management.
- The Department's capacity to manage in-year budget pressures.

The full key budget assumptions and comments by each Director have been used in constructing the current year's budget.

Corporate and departmental processes will continue to be improved in future years. Particularly since 2012/13 there has been a continued emphasis on a robust scheme of monitoring of the annual budget savings that was introduced by the current Head of Finance & Resources and will continue in 2016/17.

Additionally, with the continuous development of the ERP system (Agresso) covering both Financial and HR systems this has improved the authority's capacity to monitor the overall budget. Continual improvement in these processes will assist in prevention or earlier identification of issues to be dealt with in the budget and Medium Term Financial Strategy and allow for any in-year rebalancing to be undertaken if required. Nevertheless in preparing such a complex budget, unforeseen issues will arise throughout the year and in future years.

b. Robustness of Estimates - General Fund Revenue Budget

The 2016/17 budget and service planning process continues the need to link financial resources to corporate priorities and risks. In addition to improving efficiency, there are clearly choices for the Council in this respect:

- To increase financial resources to meet demand and reduce risk; or
- To reduce (where possible) service levels and standards, frequency of service delivery, and eligibility for services.

As part of developing the budget, Members of the administration have considered these options and they are reflected in the proposed budget.

Most notably the Council has had to address major cost increases and pressures as well as corporate priorities including:

- Employee costs (including Employer Pension Contributions and National Insurance Contributions)
- Demographic changes for Social Care across all client groups
- The cost of prudential borrowing within the capital programme
- Shortfalls in income
- Inflation

The factors and risks taken into account in developing the proposed budget and recommendations on reserves are contained in each of the Directors' proposals surrounding their Departmental budget.

These assumptions will require the forecasts for future years to be reviewed early in each financial year leading to more detailed budgets during the autumn of each financial year.

c. Medium Term Financial Strategy

Over the medium term, the Council needs to deliver its Medium Term Financial Strategy reflecting the continuing impact of the proposed budget and only minimal growth in relation to issues that are unavoidable. Within the extremely tight financial climate over the medium term it is very likely that service improvement and reasonable Council Tax increases, without key service reductions, will only be achieved through improving efficiency and clear prioritisation.

d. Adequacy of Reserves – General Fund Revenue Budget

Under the Local Government 2003 Act the Secretary of State has reserve powers to set a minimum level of reserves. The most likely use of this power is where an authority is running down its reserves against the advice of their S151 Officer.

Determining the appropriate levels of reserves is not a precise science or a formula e.g. a percentage of the Council's budget. It is the Council's safety net for risks, unforeseen or other circumstances. The reserves must last the lifetime of the Council unless contributions are made from future years' revenue budgets. The minimum level of balances cannot be judged merely against the current risks facing the council as these can and will change over time.

Determining the appropriate levels of reserves is a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions, and the Council's track record in budget management. It is also a professional judgement on the external factors that influence the Council's funding position.

The consequences of not keeping a minimum prudent level of reserves can be serious. In the event of a major problem or a series of events, the Council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

The recommendation on the prudent level of reserves has been based on the robustness of estimate information and the Corporate Risk Register. In addition, the other strategic operational and financial risks taken into account when recommending the minimum level of unallocated General Fund reserves include:

- There is always some degree of uncertainty over whether the full effects of any economy measures and/or service reductions will be achieved. Directors have been requested to be prudent in their assumptions and that those assumptions, particularly about demand led budgets, will hold true in changing circumstances.
- The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The Local Authority is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by the Government.
- The risk of major litigation, both current and in the future.
- Risks in the inter-relation between the NHS and Social Service authorities coupled with the transfer of Public Health to the Local Authority in April 2013.
- The risk that the Local Council Tax Support Scheme may have less Government funding and increases in caseload at the Council's own risk
- Issues arising from the final Housing Benefit Subsidy Claim.
- The localisation of Business Rates including the impact of businesses declining in the borough boundaries
- New and impending legislation
- Unplanned volume increases in major demand led budgets, particularly in adult and children's services, learning disabilities, physical and sensory impairment, and housing benefits.
- The need to retain a general contingency to provide for some measure of unforeseen circumstances which may arise. This part of the reserves is not provided for directly but indirectly on the assumption that the financial risks identified will not all crystallise.
- The need to retain reserves for general day-to-day cash flow needs. This is minimal given the level of cash the Council holds at any given time.

Further exceptional risks identified may have a potential and serious call on reserves. The Council is advised to be cautious about these risks and commit to restoring any drawn down reserves in line with the Medium Term Financial Strategy.

In these circumstances, I will require the Council, Cabinet, Directors and Heads of Service:

- To remain within their service budget for 2016/17 and within agreed medium term financial strategy targets for future years (2017/18 to 2019/20) with a strict adherence to recovering overspends within future years' financial plan targets.
- Repayment to reserves in line with the Medium Term Financial Strategy should these risks materialise.
- Direct any windfall revenue savings/underspends to reserves should the General Fund Revenue Reserves Strategy require it.

e. Estimated Earmarked General Fund Revenue Reserves

I have reviewed the Council's General Fund earmarked revenue reserves which are estimated to amount to be circa. £46.9 million at 1 April 2016. This is compiled of key specific reserves of Insurance at £4.0 million, Welfare Reform and Social Fund at £2.0 million, Social Care at £4.6 million, Interest Equalisation at £2.6 million, Waste Management at £4.6 million, Business Transformation at £2.9 million, New Homes Bonus at £2.5 million, Business Rates Retention at £4.0 million, Capital at £7.4 million and Grants at £4.4 million. The remainder is made up of other smaller funds held for specific purposes.

f. Estimated Earmarked Housing Revenue Account Revenue Reserves

I have reviewed the Council's Housing Revenue Account earmarked revenue reserves which are estimated to amount to £14.0 million at 1 April 2016. This is compiled mainly of a Capital Investment reserve of £13.7 million, and two other minor reserves.

g. Schools' Balances

Schools' balances, while consolidated into the Council's overall accounts, are a matter for Governing Bodies. Nevertheless, under the Council's Scheme for Financing Schools the Council has a duty to scrutinise whether any school holds surplus balances. Section 4.1 "The right to carry forward surplus balances" identifies that Schools may carry forward from one financial year to the next any surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

Any revisions to the Council's Scheme for Financing Schools in respect of balances will be amended in line with the requirements of the Secretary of State for Education with minor amendments agreed by the Schools' Forum.

I am satisfied that the arrangements in place are adequate.

h. Capital Programme – 2016/17 to 2019/20

The Capital Budget

Projects, included in the capital programme, were prepared by Heads of Service and managers in line with financial regulations and guidance. All projects were agreed by the relevant Corporate Director and Executive Member and are fully funded for their estimated cost.

Projects have been costed at outturn prices with many subject to tender after inclusion in the programme. This may lead to variance in the final costs.

Departments are required to work within the given cash envelope so any under or over provision must be found within these limits.

Capital Programme Risks

The risk of the Council being unable to fund variations in the programme is minimal mainly due to phasing of projects. The Council is able to freeze parts of the programme throughout the year to ensure spend is within the agreed financial envelope, although this will have service implications.

A further key risk to the capital programme is the ability of the Council to fully deliver it within the agreed timescales.

In relation to the General Fund and HRA Capital Programme specifically for 2016/17 (including commitments from previous years and new starts):

- i) The HRA Capital Programme will need to be contained within total programme cost by delaying or stopping specified schemes.
- (ii) The General Fund Capital Budget is substantial but is based on the best information available in terms of project costs. What is less certain is the phasing of expenditure.
- (iii) The strategic schemes identified in the Capital Programme will be closely monitored in-year.
- (iv) That the funding identified for the approved Capital Programme is delivered and is prudent, affordable and sustainable.

Appendix 2 – 2016/17 DSG ‘School’s Budget’

		2015/16				2016/17				
Block	S251 Line	Summary Line	Final 2015/16 DSG Schools Budget	Forecast Outturn	Variance	Comments	Proposed Budget for 2016/17	Change to 2015/16 Budget		
Schools Block	1.0.1	Primary Schools	55,847,190	49,758,936	(6,088,254)		57,922,250	2,075,060	Formula changes and growth in pupil numbers	
	1.0.1	Secondary Schools	54,224,102	6,228,439	(47,995,663)		54,667,821	443,719		
	1.0.1	Academy Recoupment	0	54,019,320	54,019,320			0		
Schools Block Total			110,071,292	110,006,695	(64,597)	Relates to recoupment adjustment for growth allocations owed to Darlington Academy.	112,590,071	2,518,779		
	1.0.1	2 year old provision	2,508,000	1,600,000	(908,000)	Based on circa 600 2 year olds	1,970,333	(537,667)	Based on circa 650 2 year olds	
	1.0.1	3 and 4 y/o provision	4,623,100	4,547,417	(75,683)		4,836,650	213,550	Based on 1800 FTE 3 and 4 year olds	
ω	1.0.1	School/Academy Nurseries	2,200,000	2,178,811	(21,189)		2,200,000	0		
	1.3.1	Central Expenditure on Children under 5	500,000	500,000	0		500,000	0		
Early Years Total			9,831,100	8,826,228	(1,004,872)		9,506,983	(324,117)		
High Needs	1.0.1	Place Funding - PRU	810,000	810,000	0		810,000	0	Indicative recoupment value of YMCA Free School based on 2015/16 levels.	
	1.0.1	Place Funding - Special Schools	5,300,000	2,700,000	(2,600,000)		5,300,000	0		
	1.0.1	Place Funding - Special Units	530,000	230,000	(300,000)		530,000	0		
	1.0.1	NMSS recoupment	68,000	20,000	(48,000)	Recoupment adjustments	68,000	0		
	1.0.1	YMCA - Free School Recoupment	186,667	186,667	0		320,000	133,333		
			Other High Needs Recoupment		3,050,000	3,050,000		0		
	1.2.1	High Needs Top ups - maintained special schools	3,138,261	2,989,462	(148,799)	£200K under on in-borough placements	3,138,300	39		
	1.2.1	ECHP Top ups - mainstream schools	1,910,000	1,469,068	(440,932)	Current forecast on EHCP	1,910,000	0		
	1.2.2	High Needs Top ups - Academies and post 16 providers	1,674,509	2,087,547	413,038	High spend on post 16 high needs pupils in further education settings. 59 young people placed compared to 43 in 2014/15.	1,674,500	(9)		
	1.2.3	Top up funding - independent providers	1,340,973	1,188,975	(151,998)		1,341,000	27		
	1.2.4	HN targeted LCHI funding	100,000	122,725	22,725	Formula driven allocations	100,000	0		
	1.2.5	Education out of School (ITS)	163,083	153,083	(10,000)		153,000	(10,083)		
	1.2.5	SEN Team	347,479	347,479	0		347,500	21		
1.2.5	SEN Support Services - special units in schools	201,850	201,850	0		201,850	0			
1.2.8	Nurture Base Provision	483,000	483,000	0		483,000	0			
1.2.6	Hospital Education provision	31,938	31,938	0		32,000	62			
1.2.7	Commissioned Preventative Pathway AP service	224,000	192,000	(32,000)		192,000	(32,000)			
						158,850	158,850	Balance of High Needs funding to be allocated following Forum discussions		
High Needs Total			16,509,760	16,263,794	(245,966)		16,760,000	250,240		

Appendix 2 – 2016/17 DSG 'School's Budget'

Block	S251 Line	Summary Line	2015/16			2016/17		
			Final 2015/16 DSG Schools Budget	Forecast Outturn	Variance	Comments	Proposed Budget for 2016/17	Change to 2015/16 Budget
Centrally Retain	1.1.2	De-delegated - Behaviour Support	75,000	75,000	0			
	1.1.7	De-delegated - Licenses Subscriptions	1,245	1,245	0			
	1.1.8	De-delegated - Staff costs	9,900	9,900	0			
	1.4.1	Contribution to combined budgets	941,288	941,288	0			
	1.4.10	Growth Fund	625,000	800,000	175,000	690,000	65,000	In line with expected basic need growth for Primary classes in September 2016.
	1.4.12	CLA/MPA License	80,000	117,378	37,378	121,000	41,000	Confirmed cost for extended range of licenses 2016/17
	1.4.2	School Admissions	236,290	236,290	0	236,300	10	
	1.4.3	Servicing of School Forums	18,712	18,712	0	18,700	(12)	
Centrally Retained Total			1,987,435	2,199,813	212,378	2,093,433	105,998	
Grand Total			138,399,587	137,296,530	(1,103,057)	140,950,487	2,550,900	
		DSG - Schools Block	(112,514,000)	(58,494,751)	54,019,249	(114,419,698)	(1,905,698)	Growth of circa 400 pupils
		Academy Recoupment	0	(54,019,320)	(54,019,320)	0	0	
		DSG - Early Years Block (2 year olds)	(2,272,000)	(1,500,000)	772,000	(1,811,745)	460,255	Based on participation of 650 2 year olds
		DSG - Early Years Block	(6,774,000)	(6,852,994)	(78,994)	(7,048,458)	(274,458)	Now re-budgeted on 1800 FTE 3 and 4 year olds
		DSG - High Needs Funding Block	(16,421,000)	(13,260,000)	3,161,000	(16,869,426)	(448,426)	Confirmed High Needs Block Funding
		High Needs Recoupment	0	(3,157,000)	(3,157,000)	0	0	
Funded From		DSG Brought Forward - Early Years	(284,100)	(284,100)	0	(237,000)	47,100	As per 3 year plan for Early Years
		DSG Brought Forward - to balance	(134,487)	(134,487)	0	(564,161)	(429,674)	To part cover transition costs (MFG) of funding formula changes
			0	0	0	0	0	
Funded From Total			(138,399,587)	(137,702,652)	696,935	(140,950,488)	(2,550,901)	
			0	(406,122)	(406,122)	(0)	(0)	Forecast Underspend

**SUMMARY OF GENERAL FUND
REVENUE BUDGET 2016/17**

**SOUTHEND ON SEA BOROUGH COUNCIL ESTIMATE FOR THE
GENERAL FUND YEAR ENDING 31 MARCH 2017**

SUMMARY OF GENERAL FUND REVENUE ESTIMATES

	Appendix	Original Estimate 2015/16	Probable Outturn 2015/16	Original Estimate 2016/17	Budget 2016/17
		£000	£000	£000	£000
Portfolios					
Adult Social Care & Health	4	39,911	42,058	42,053	39,621
Children & Learning	5	33,477	32,860	32,377	30,770
Community & Organisational Development	6	2,613	2,470	2,966	2,653
Enterprise, Tourism & Economic Development	7	13,943	15,324	15,171	14,479
Leader	8	4,098	5,753	4,840	4,312
Public Protection, Waste & Transport	9	25,236	25,445	25,752	23,127
Housing & Regulatory Services	10	12,964	13,007	10,371	10,043
Sub Total		132,242	136,917	133,530	125,005
Capital Financing Removed		(19,982)	(20,261)	(18,642)	(18,642)
Portfolio Net Expenditure		112,260	116,656	114,888	106,363
Levies		550	549	585	585
Contingency - General		2,085	1,041	2,085	2,085
- National Insurance		0	0	0	0
- Transformation		1,500	1,500	1,500	1,500
- Inflation		1,240	447	2,231	2,231
Pensions Upfront Funding		(4,782)	(4,782)	(4,782)	(4,782)
Financing costs		16,062	15,029	15,793	15,787
Total net expenditure		128,915	130,440	132,300	123,769
Contribution to /(from) general reserves		0	0	0	0
Contribution to /(from) earmarked reserves		(1,889)	(1,229)	(3,874)	(3,874)
Revenue Contribution to Capital		3,090	855	6,472	6,472
Corporate Savings (Unallocated)		0	0	0	(200)
Corporate Savings (2015/16)		(50)	0	0	0
Non Service Specific Grants		(3,973)	(3,973)	(4,252)	(4,252)
Budget Requirement		126,093	126,093	130,646	121,915
Use of Adult Social Care Precept					
Invest to Save for Adult Social Care				0	600
Transition of Adult Social Care Savings				0	691
		0	0	0	1,291
Total Budget Requirement		126,093	126,093	130,646	123,206

ADULT SOCIAL CARE & HEALTH
REVENUE BUDGET 2016/17

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Adult Social Care & Health Portfolio

Objective Summary	2015/16						2016/17					
	Original			Probable Outturn			Before Savings & Pressures			Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Adult Support Services and Management	498	(507)	(9)	930	(894)	36	600	(593)	7	600	(593)	7
Commissioning Team	2,063	(2,062)	1	2,475	(2,470)	5	2,654	(2,668)	(14)	2,628	(2,685)	(57)
Strategy and Development	1,660	(1,934)	(274)	2,451	(2,470)	(19)	2,356	(2,328)	28	2,298	(2,328)	(30)
People with a Learning Disability	16,712	(1,734)	14,978	16,411	(1,845)	14,566	16,379	(1,629)	14,750	15,778	(1,629)	14,149
People with Mental Health Needs	3,105	(165)	2,940	4,153	(226)	3,927	3,461	(166)	3,295	3,427	(165)	3,262
Older People	31,999	(14,581)	17,418	33,242	(15,308)	17,934	32,973	(14,940)	18,033	31,278	(14,940)	16,338
Other Community Services	3,226	(2,880)	346	2,052	(1,940)	112	1,922	(665)	1,257	2,021	(665)	1,356
People with a Physical or Sensory Impairment	4,595	(552)	4,043	5,368	(1,108)	4,260	4,763	(584)	4,179	4,763	(584)	4,179
Service Strategy and Regulation	328	(107)	221	188	(69)	119	190	(69)	121	149	(69)	80
Public Health	6,409	(6,369)	40	6,516	(5,977)	539	7,974	(7,837)	137	7,974	(7,837)	137
Drug and Alcohol Action Team	2,717	(2,548)	169	2,998	(2,460)	538	2,589	(2,373)	216	2,529	(2,373)	156
Young Persons Drug and Alcohol Team	301	(263)	38	304	(263)	41	307	(263)	44	307	(263)	44
Net Expenditure/(Income)	73,613	(33,702)	39,911	77,088	(35,030)	42,058	76,168	(34,115)	42,053	73,752	(34,131)	39,621

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Adult Social Care & Health Portfolio

Subjective Summary	2015/16		2016/17	
	Original £000s	Probable Outturn £000s	Before Savings & Pressures £000s	Budget £000s
Expenditure				
Employees	16,170	16,958	17,204	17,161
Premises	472	463	457	454
Transport	610	658	529	529
Supplies & Services	6,520	7,063	6,277	6,109
Third Party Payments	43,542	44,133	42,709	40,507
Transfer Payments	0	0	0	0
MATS	2,815	3,500	3,512	3,512
Accommodation Charges	471	437	415	415
Departmental Support	2,921	3,715	4,926	4,926
Depreciation	92	161	139	139
Gross Expenditure	73,613	77,088	76,168	73,752
Income				
Government Grants	(10,671)	(10,623)	(9,237)	(9,237)
Other Grants & Reimbursements	(8,478)	(8,061)	(7,746)	(7,746)
Sales	(455)	(174)	(444)	(444)
Fees & Charges	(9,919)	(11,029)	(10,446)	(10,462)
Rents	0	0	0	0
Interest	0	(13)	0	0
Government Capital Grants	0	0	0	0
Recharges	(4,067)	(5,018)	(6,127)	(6,127)
Recharges to Housing Revenue Account	(112)	(112)	(115)	(115)
Other Internal Charges	0	0	0	0
Total Income	(33,702)	(35,030)	(34,115)	(34,131)
Net Expenditure/(Income)	39,911	42,058	42,053	39,621

CHILDREN & LEARNING
REVENUE BUDGET 2016/17

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Children & Learning Portfolio

Objective Summary	2015/16						2016/17					
	Original			Probable Outturn			Before Savings & Pressures			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Retained												
Childrens Commissioning	1,093	(558)	535	2,664	(2,327)	337	2,566	(2,166)	400	2,549	(2,166)	383
Children with Special Needs	2,171	(777)	1,394	2,512	(741)	1,771	2,097	(713)	1,384	2,047	(738)	1,309
Early Years Development and Child Care Partnership	2,022	(555)	1,467	11,429	(9,886)	1,543	11,093	(9,562)	1,531	10,993	(9,562)	1,431
Children Fieldwork Services	4,887	0	4,887	4,713	0	4,713	4,311	0	4,311	4,311	0	4,311
Children Fostering and Adoption	7,061	(208)	6,853	6,819	(287)	6,532	6,742	(247)	6,495	6,707	(252)	6,455
Youth Service	1,813	(390)	1,423	1,629	(400)	1,229	1,684	(397)	1,287	1,444	(397)	1,047
Other Education	577	(524)	53	742	(575)	167	728	(580)	148	728	(580)	148
Private Voluntary Independent	4,465	(160)	4,305	4,280	(160)	4,120	4,461	(156)	4,305	4,211	(156)	4,055
Children Specialist Commissioning	1,321	(59)	1,262	1,286	(59)	1,227	1,127	(59)	1,068	1,105	(59)	1,046
Children Specialist Projects	219	(216)	3	389	(174)	215	304	(189)	115	304	(189)	115
School Support and Preventative Services	30,568	(21,215)	9,353	36,334	(27,264)	9,070	21,846	(12,443)	9,403	21,341	(12,628)	8,713
Youth Offending Service	3,074	(1,132)	1,942	3,068	(1,132)	1,936	3,216	(1,286)	1,930	3,143	(1,386)	1,757
Total Retained	59,271	(25,794)	33,477	75,865	(43,005)	32,860	60,175	(27,798)	32,377	58,883	(28,113)	30,770
Delegated												
Schools Delegated Budgets	71,093	(71,093)	0	68,983	(68,983)	0	57,351	(57,351)	0	57,351	(57,351)	0
Total Delegated	71,093	(71,093)	0	68,983	(68,983)	0	57,351	(57,351)	0	57,351	(57,351)	0
Net Expenditure/(Income)	130,364	(96,887)	33,477	144,848	(111,988)	32,860	117,526	(85,149)	32,377	116,234	(85,464)	30,770

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Children & Learning Portfolio

Subjective Summary	2015/16		2016/17	
	Original £000s	Probable Outturn £000s	Before Savings & Pressures £000s	Budget £000s
Expenditure				
Employees	13,929	14,610	14,183	13,558
Premises	317	284	280	270
Transport	744	704	674	671
Supplies & Services	9,484	17,348	17,064	16,814
Third Party Payments	12,697	13,368	12,672	12,348
Transfer Payments	78,029	83,126	61,393	61,313
MATS	3,864	4,215	4,050	4,050
Accommodation Charges	440	488	465	465
Departmental Support	1,952	2,611	2,420	2,420
Depreciation	8,908	8,094	4,325	4,325
Gross Expenditure	130,364	144,848	117,526	116,234
Income				
Government Grants	(89,220)	(102,580)	(80,011)	(80,276)
Other Grants & Reimbursements	(758)	(824)	(781)	(786)
Sales	(45)	(45)	(46)	(46)
Fees & Charges	(798)	(801)	(822)	(867)
Rents	0	0	0	0
Interest	0	0	0	0
Government Capital Grants	(5,128)	(5,128)	(1,070)	(1,070)
Recharges	(938)	(2,610)	(2,419)	(2,419)
Recharges to Housing Revenue Account	0	0	0	0
Other Internal Charges	0	0	0	0
Total Income	(96,887)	(111,988)	(85,149)	(85,464)
Net Expenditure/(Income)	33,477	32,860	32,377	30,770

COMMUNITY & ORGANISATIONAL DEVELOPMENT

REVENUE BUDGET 2016/17

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Community & Organisational Development Portfolio

Objective Summary	2015/16						2016/17					
	Original			Probable Outturn			Before Savings & Pressures			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Closed Circuit Television	403	(18)	385	514	(35)	479	517	(32)	485	517	(32)	485
Community Safety	356	(41)	315	254	(41)	213	250	(32)	218	251	(32)	219
Cemeteries and Crematorium	1,437	(2,044)	(607)	1,484	(2,289)	(805)	1,476	(2,133)	(657)	1,436	(2,198)	(762)
Customer Services Centre	1,922	(1,968)	(46)	1,926	(1,894)	32	1,960	(1,946)	14	1,913	(1,946)	(33)
Dial A Ride Service	103	(17)	86	111	(18)	93	117	(19)	98	117	(19)	98
Housing Benefit and Council Tax Benefit Admin	2,830	(1,285)	1,545	2,605	(1,360)	1,245	2,762	(1,285)	1,477	2,677	(1,195)	1,482
Rent Benefit Payments	98,947	(99,050)	(103)	99,247	(99,050)	197	98,947	(99,050)	(103)	98,947	(99,050)	(103)
Registration of Births Deaths and Marriages	470	(323)	147	450	(357)	93	467	(364)	103	459	(364)	95
Partnership Team	327	0	327	334	0	334	332	0	332	317	0	317
Support To Voluntary Sector	913	0	913	784	0	784	928	0	928	802	0	802
Human Resources	1,936	(1,946)	(10)	2,316	(2,373)	(57)	2,268	(2,239)	29	2,208	(2,239)	(31)
Information Communications and Technology	5,064	(5,450)	(386)	5,306	(5,431)	(125)	5,777	(5,748)	29	5,858	(5,748)	110
People and Organisational Development	449	(455)	(6)	473	(471)	2	532	(527)	5	532	(527)	5
Tickfield Training Centre	366	(349)	17	355	(358)	(3)	386	(383)	3	386	(383)	3
Transport Management	209	(209)	0	243	(242)	1	241	(240)	1	227	(240)	(13)
Vehicle Fleet	809	(773)	36	739	(752)	(13)	745	(741)	4	720	(741)	(21)
Net Expenditure/(Income)	116,541	(113,928)	2,613	117,141	(114,671)	2,470	117,705	(114,739)	2,966	117,367	(114,714)	2,653

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Community & Organisational Development Portfolio

Subjective Summary	2015/16		2016/17	
	Original	Probable Outturn	Before Savings & Pressures	Budget
	£000s	£000s	£000s	£000s
Expenditure				
Employees	9,138	9,205	9,596	9,319
Premises	461	369	461	335
Transport	168	339	339	339
Supplies & Services	3,765	3,835	3,951	4,016
Third Party Payments	218	84	88	88
Transfer Payments	98,699	98,999	98,520	98,520
MATS	2,240	2,583	2,667	2,667
Accommodation Charges	426	403	382	382
Departmental Support	337	350	343	343
Depreciation	1,089	974	1,358	1,358
Gross Expenditure	116,541	117,141	117,705	117,367
Income				
Government Grants	(96,808)	(96,807)	(96,807)	(96,717)
Other Grants & Reimbursements	(3,569)	(3,586)	(3,586)	(3,586)
Sales	(54)	(54)	(46)	(46)
Fees & Charges	(3,838)	(4,390)	(4,191)	(4,256)
Rents	(37)	(37)	(17)	(17)
Interest	0	0	0	0
Government Capital Grants	0	0	0	0
Recharges	(9,156)	(9,331)	(9,569)	(9,569)
Recharges to Housing Revenue Account	(112)	(112)	(115)	(115)
Other Internal Charges	(354)	(354)	(408)	(408)
Total Income	(113,928)	(114,671)	(114,739)	(114,714)
Net Expenditure/(Income)	2,613	2,470	2,966	2,653

ENTERPRISE, TOURISM & ECONOMIC DEVELOPMENT

REVENUE BUDGET 2016/17

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Enterprise, Tourism & Economic Development Portfolio

Objective Summary	2015/16						2016/17					
	Original			Probable Outturn			Before Savings & Pressures			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Arts Development	516	(205)	311	533	(205)	328	705	(364)	341	706	(364)	342
Amenity Services Organisation	3,005	(2,389)	616	2,986	(441)	2,545	2,964	(386)	2,578	2,964	(386)	2,578
Culture Management	135	(6)	129	97	(6)	91	105	(6)	99	104	(6)	98
Library Service	3,509	(387)	3,122	3,722	(387)	3,335	4,052	(390)	3,662	4,053	(390)	3,663
Museums And Art Gallery	1,168	(92)	1,076	1,439	(92)	1,347	1,071	(67)	1,004	1,041	(67)	974
Parks And Amenities Management	4,458	(663)	3,795	3,353	(564)	2,789	3,030	(667)	2,363	2,736	(667)	2,069
Sports Development	277	(134)	143	282	(114)	168	179	(45)	134	179	(45)	134
Sport and Leisure Facilities	836	0	836	681	(231)	450	783	0	783	627	(144)	483
Southend Theatres	582	(16)	566	569	(16)	553	575	(17)	558	575	(17)	558
Resort Services Pier and Foreshore and Southend Marine Activity Centre	3,129	(947)	2,182	3,421	(1,141)	2,280	3,530	(1,051)	2,479	3,408	(999)	2,409
Tourism	301	(10)	291	246	(10)	236	267	(11)	256	267	(11)	256
Mayoralty	211	0	211	220	0	220	218	0	218	218	0	218
Economic Development	483	(112)	371	715	(112)	603	363	0	363	363	0	363
Town Centre	124	(48)	76	146	(63)	83	210	(58)	152	211	(58)	153
Climate Change	218	0	218	296	0	296	205	(24)	181	205	(24)	181
Net Expenditure/(Income)	18,952	(5,009)	13,943	18,706	(3,382)	15,324	18,257	(3,086)	15,171	17,657	(3,178)	14,479

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Enterprise, Tourism & Economic Development Portfolio

Subjective Summary	2015/16		2016/17	
	Original	Probable Outturn	Before Savings & Pressures	Budget
	£000s	£000s	£000s	£000s
Expenditure				
Employees	6,430	6,571	6,642	6,508
Premises	1,761	1,859	1,787	1,781
Transport	423	342	422	420
Supplies & Services	1,794	2,122	1,908	1,900
Third Party Payments	2,247	2,199	2,173	1,723
Transfer Payments	0	0	0	0
MATS	1,774	2,000	1,974	1,974
Accommodation Charges	86	61	60	60
Departmental Support	1,998	501	506	506
Depreciation	2,439	3,051	2,785	2,785
Gross Expenditure	18,952	18,706	18,257	17,657
Income				
Government Grants	(70)	(50)	0	0
Other Grants & Reimbursements	(605)	(569)	(594)	(594)
Sales	(355)	(397)	(365)	(365)
Fees & Charges	(1,941)	(2,327)	(2,108)	(2,198)
Rents	(19)	(39)	(19)	(21)
Interest	0	0	0	0
Government Capital Grants	0	0	0	0
Recharges	(2,019)	0	0	0
Recharges to Housing Revenue Account	0	0	0	0
Other Internal Charges	0	0	0	0
Total Income	(5,009)	(3,382)	(3,086)	(3,178)
Net Expenditure/(Income)	13,943	15,324	15,171	14,479

LEADER
REVENUE BUDGET 2016/17

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Leader Portfolio

Objective Summary	2015/16						2016/17					
	Original			Probable Outturn			Before Savings & Pressures			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Corporate Subscriptions	73	0	73	73	0	73	73	0	73	73	0	73
Corporate and Non Distributable Costs	3,354	(172)	3,182	4,698	(172)	4,526	3,760	(177)	3,583	3,760	(177)	3,583
Emergency Planning	102	0	102	100	0	100	104	0	104	99	0	99
Strategy and Performance	895	(966)	(71)	881	(880)	1	893	(885)	8	833	(885)	(52)
The Programme Office	340	(341)	(1)	325	(328)	(3)	351	(347)	4	63	(347)	(284)
Accounts Payable	194	(154)	40	244	(243)	1	257	(256)	1	257	(256)	1
Accounts Receivable	274	(282)	(8)	328	(332)	(4)	352	(351)	1	340	(351)	(11)
Accountancy	2,616	(2,834)	(218)	2,762	(2,758)	4	2,767	(2,742)	25	2,727	(2,742)	(15)
Asset Management	429	(428)	1	426	(430)	(4)	438	(434)	4	438	(434)	4
Internal Audit	855	(907)	(52)	818	(818)	0	948	(940)	8	948	(940)	8
Buildings Management	2,843	(2,873)	(30)	2,976	(2,989)	(13)	2,847	(2,843)	4	2,909	(2,843)	66
Administration & Support	549	(550)	(1)	530	(529)	1	530	(526)	4	530	(526)	4
Community Centres and Club 60	63	(1)	62	53	(1)	52	54	(1)	53	54	(1)	53
Corporate and Industrial Estates	921	(2,350)	(1,429)	924	(2,353)	(1,429)	794	(2,389)	(1,595)	794	(2,539)	(1,745)
Council Tax Admin	1,413	(471)	942	1,465	(571)	894	1,450	(481)	969	1,355	(481)	874
Democratic Services Support	458	0	458	421	0	421	433	0	433	430	0	430
Department of Corporate Services	1,053	(1,053)	0	1,186	(1,181)	5	1,124	(1,113)	11	1,212	(1,113)	99
Elections and Electoral Registration	394	0	394	499	(50)	449	409	0	409	409	0	409
Insurance	195	(241)	(46)	187	(241)	(54)	185	(243)	(58)	185	(243)	(58)
Local Land Charges	255	(319)	(64)	280	(318)	(38)	279	(318)	(39)	279	(318)	(39)
Legal Services	1,105	(1,131)	(26)	1,276	(1,274)	2	1,222	(1,212)	10	1,173	(1,237)	(64)
Non Domestic Rates Collection	360	(302)	58	362	(302)	60	378	(304)	74	347	(304)	43
Corporate Procurement	705	(705)	0	830	(832)	(2)	756	(748)	8	756	(748)	8
Property Management and Maintenance	575	(575)	0	687	(686)	1	749	(735)	14	749	(635)	114
Member Support	732	0	732	710	0	710	732	0	732	712	0	712
Net Expenditure/(Income)	20,753	(16,655)	4,098	23,041	(17,288)	5,753	21,885	(17,045)	4,840	21,432	(17,120)	4,312

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Leader Portfolio

Subjective Summary	2015/16		2016/17	
	Original	Probable Outturn	Before Savings & Pressures	Budget
	£000s	£000s	£000s	£000s
Expenditure				
Employees	9,818	10,267	10,095	9,555
Premises	1,326	1,515	1,398	1,480
Transport	54	55	51	51
Supplies & Services	2,657	2,837	2,684	2,689
Third Party Payments	259	29	303	303
Transfer Payments	0	0	0	0
MATS	3,606	4,035	4,138	4,138
Accommodation Charges	961	1,146	1,087	1,087
Departmental Support	640	878	842	842
Depreciation	1,314	1,542	1,067	1,067
Special Items	118	737	220	220
Gross Expenditure	20,753	23,041	21,885	21,432
Income				
Government Grants	(268)	(318)	(270)	(270)
Other Grants & Reimbursements	(130)	(289)	(257)	(257)
Sales	(6)	(6)	(6)	(6)
Fees & Charges	(1,505)	(1,527)	(1,633)	(1,558)
Rents	(2,373)	(2,373)	(2,412)	(2,562)
Interest	0	0	0	0
Investment Asset Revaluation Gain	0	(3)	0	0
Government Capital Grants	0	0	0	0
Recharges	(11,972)	(12,372)	(12,057)	(12,057)
Recharges to Housing Revenue Account	(401)	(400)	(410)	(410)
Other Internal Charges	0	0	0	0
Total Income	(16,655)	(17,288)	(17,045)	(17,120)
Net Expenditure/(Income)	4,098	5,753	4,840	4,312

PUBLIC PROTECTION, WASTE & TRANSPORT

REVENUE BUDGET 2016/17

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Public Protection, Waste & Transport Portfolio

Objective Summary	2015/16						2016/17					
	Original			Probable Outturn			Before Savings & Pressures			Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Bridges and Structural Engineering	392	0	392	410	0	410	432	0	432	432	0	432
Concessionary Fares	3,489	0	3,489	3,496	0	3,496	3,496	0	3,496	3,246	0	3,246
Decriminalised Parking	1,965	(1,601)	364	1,955	(1,553)	402	1,957	(1,633)	324	1,306	(1,633)	(327)
Enterprise Tourism and Environment Central Pool	1,858	(1,925)	(67)	1,706	(1,703)	3	1,692	(1,675)	17	1,634	(1,675)	(41)
Highways Maintenance	10,296	(2,232)	8,064	9,925	(2,382)	7,543	10,051	(2,129)	7,922	9,611	(2,229)	7,382
Car Parking Management	1,437	(5,647)	(4,210)	1,437	(5,746)	(4,309)	1,443	(5,759)	(4,316)	1,443	(5,959)	(4,516)
Passenger Transport	389	(61)	328	407	(61)	346	405	(62)	343	405	(62)	343
Public Conveniences	661	0	661	721	0	721	604	0	604	604	0	604
Road Safety and School Crossing	365	(60)	305	402	(60)	342	403	(60)	343	403	(60)	343
Transport Planning	1,669	(752)	917	1,678	(752)	926	1,077	(57)	1,020	1,077	(57)	1,020
Traffic and Parking Management	786	(5)	781	686	(5)	681	683	(5)	678	683	(5)	678
Waste Collection	3,860	0	3,860	4,525	0	4,525	4,394	0	4,394	3,850	0	3,850
Waste Disposal	4,019	0	4,019	4,124	0	4,124	4,120	0	4,120	4,120	0	4,120
Street Cleansing	2,193	(7)	2,186	2,225	(7)	2,218	2,222	(7)	2,215	1,916	(7)	1,909
Household Recycling	654	0	654	649	0	649	646	0	646	570	0	570
Environmental Care	652	(4)	648	629	(4)	625	644	(4)	640	644	(4)	640
Waste Management	2,034	0	2,034	2,107	(54)	2,053	2,078	0	2,078	2,078	0	2,078
Flood and Sea Defence	874	(63)	811	1,285	(595)	690	860	(64)	796	860	(64)	796
Net Expenditure/(Income)	37,593	(12,357)	25,236	38,367	(12,922)	25,445	37,207	(11,455)	25,752	34,882	(11,755)	23,127

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Public Protection, Waste & Transport Portfolio

Subjective Summary	2015/16		2016/17	
	Original	Probable Outturn	Before Savings & Pressures	Budget
	£000s	£000s	£000s	£000s
Expenditure				
Employees	3,823	3,646	3,676	3,616
Premises	1,844	1,896	1,682	1,457
Transport	90	89	92	92
Supplies & Services	686	879	471	471
Third Party Payments	20,369	21,701	20,661	18,621
Transfer Payments	0	0	0	0
MATS	1,812	1,350	1,404	1,404
Accommodation Charges	156	171	162	162
Departmental Support	1,129	612	590	590
Depreciation	7,684	8,023	8,469	8,469
Gross Expenditure	37,593	38,367	37,207	34,882
Income				
Government Grants	(853)	(1,439)	(103)	(103)
Other Grants & Reimbursements	0	0	(40)	(40)
Sales	(2)	(2)	(2)	(2)
Fees & Charges	(7,940)	(8,141)	(8,111)	(8,411)
Rents	0	0	(1)	(1)
Interest	0	0	0	0
Government Capital Grants	(1,637)	(1,637)	(1,523)	(1,523)
Recharges	(1,925)	(1,703)	(1,675)	(1,675)
Recharges to Housing Revenue Account	0	0	0	0
Other Internal Charges	0	0	0	0
Total Income	(12,357)	(12,922)	(11,455)	(11,755)
Net Expenditure/(Income)	25,236	25,445	25,752	23,127

HOUSING & REGULATORY SERVICES

REVENUE BUDGET 2016/17

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Housing & Regulatory Services Portfolio

Objective Summary	2015/16						2016/17					
	Original			Probable Outturn			Before Savings & Pressures			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Building Control	593	(389)	204	685	(389)	296	732	(397)	335	732	(397)	335
Development Control	1,022	(509)	513	804	(559)	245	829	(519)	310	829	(569)	260
Regional And Local Town Plan	398	0	398	412	0	412	412	0	412	412	0	412
Regulatory Business	661	(10)	651	584	(10)	574	707	(11)	696	707	(11)	696
Regulatory Licensing	632	(474)	158	494	(474)	20	570	(483)	87	570	(483)	87
Regulatory Management	239	0	239	522	0	522	236	0	236	236	0	236
Regulatory Protection	335	(62)	273	243	(62)	181	308	(62)	246	308	(62)	246
Strategy and Planning for Housing	218	0	218	247	(247)	0	256	(255)	1	256	(255)	1
Private Sector Housing	5,866	(338)	5,528	6,001	(338)	5,663	4,139	(587)	3,552	4,139	(587)	3,552
Housing Needs and Homelessness	1,449	(439)	1,010	1,679	(439)	1,240	1,386	(446)	940	1,276	(514)	762
Supporting People	3,772	0	3,772	3,580	0	3,580	3,556	0	3,556	3,456	0	3,456
Better Queensway	0	0	0	274	0	274	0	0	0	0	0	0
Net Expenditure/(Income)	15,185	(2,221)	12,964	15,525	(2,518)	13,007	13,131	(2,760)	10,371	12,921	(2,878)	10,043

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2017**

Housing & Regulatory Services Portfolio

Subjective Summary	2015/16		2016/17	
	Original	Probable Outturn	Before Savings & Pressures	Budget
	£000s	£000s	£000s	£000s
Expenditure				
Employees	3,689	3,946	3,987	3,777
Premises	3	3	3	3
Transport	47	47	47	47
Supplies & Services	3,791	3,770	3,495	3,495
Third Party Payments	52	375	41	41
Transfer Payments	0	0	0	0
MATS	1,004	1,370	914	914
Accommodation Charges	216	165	156	156
Departmental Support	1,054	514	943	943
Depreciation	5,329	5,335	3,545	3,545
Gross Expenditure	15,185	15,525	13,131	12,921
Income				
Government Grants	(50)	(50)	(50)	(50)
Other Grants & Reimbursements	(150)	(150)	(150)	(150)
Sales	(2)	(2)	(2)	(2)
Fees & Charges	(1,457)	(1,507)	(1,485)	(1,535)
Rents	0	0	0	0
Interest	0	0	0	0
Government Capital Grants	(229)	(229)	(476)	(476)
Recharges	0	(247)	(255)	(255)
Recharges to Housing Revenue Account	(333)	(333)	(342)	(410)
Other Internal Charges	0	0	0	0
Total Income	(2,221)	(2,518)	(2,760)	(2,878)
Net Expenditure/(Income)	12,964	13,007	10,371	10,043

Pressure Proposals 2016/17 - All Council Services (excluding schools)

		<u>Corporate Services</u> <u>£'000</u>	<u>People</u> <u>£'000</u>	<u>Place</u> <u>£'000</u>	<u>Proposed Total</u> <u>£'000</u>
No.	<u>Proposed Pressures</u>				
1P	Contract Cleaning Civic Campus	85			
2P	Wide Area Network (WAN) carrying both voice and data traffic between all council sites and schools	80			
3P	Housing Benefit/Localised Council Tax Scheme Administration Grant	90			
Sub-total Corporate Services		255			255
4P	Deprivation of Liberty Assessments (DOLS) for people in hospitals/care homes as well as deprivation of liberty applications to the Court of Protection for people in supported living/extra care housing		100		
5P	Learning Disabilities		400		
6P	Older People Demographics		500		
Sub-total People			1,000		1,000
7P	External Income Generation			100	
Sub-total Place				100	100
Proposed Pressures Total 2016/17		255	1,000	100	1,355

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2016/17 BUDGET PRESSURES – ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

DEPARTMENT FOR CORPORATE SERVICES

1P Contract Cleaning Civic Campus - £85,000

Civic Campus cleaning is forecast to be £60k over budget by the end of 2015/16. The budget for the Civic Campus is £200k with a current contracted commitment of £260k.

In addition, to increase the cleaning at the Civic Campus for annual deep cleaning, further funding of £25k pa would be required. Overall the budget is £85k short in provision to attain the required standard of service.

2P Wide Area Network (WAN) carrying both voice and data traffic between all council sites and schools - £80,000

Current cost £320k pa. Funded by Council £170k and Schools £150k.

The Council's Core Backbone is a figure of eight network linking all 6 telephony exchanges in the Borough providing connectivity to and between the Council's 121 sites. (A figure which includes schools).

The backbone carries both voice and data traffic and also enables the delivery of internet access provided by a third party for the Council and schools. Telephony termination over the internet (the processing or outbound calls) is also enabled by this network through Session Initiation Protocol (SIP).

The current contact is with Udata / Capita, a service provider which adopts and manages BT infrastructure to deliver the service to the end user (SBC/ schools). The current contract has expired and an extension has been negotiated.

There is a clear message from schools (which currently contribute to the cost of the backbone) that they are seeking increased bandwidth as part of any future solution. Schools are not obliged to purchase filtered internet connectivity through the Council and could strike a deal directly with any Internet Service Provider (ISP) they wish.

2016/17 BUDGET PRESSURES – ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

However, as the Council currently sells a raft of support services including HR, telephony and ICT support to schools which are enabled by this network connectivity, the continuation of the existing relationship is regarded as beneficial by all.

The estimated increased cost of the WAN being retendered could be as much as £200k above the prevailing rate. The anticipation is that approximately half of this sum would be met by schools given their increased demands with the balance falling to the Council. The final position is still subject to tendering and negotiation.

**3P Housing Benefit/Localised Council Tax Scheme Administration Grant
- £90,000**

This Government grant income provides funding support to the Local Authority for the administrative running of the national Housing Benefit and Localised Council Tax Scheme. The Department for Works and Pensions (DWP) announces annually the Local Authority allocations for the above grant. Nationally the total available for distribution for this overall grant has reduced year on year and the consequent reduction in the Council's annual grant for 2016/17 has now been identified by the DWP as £90,000.

Sub-total Department for Corporate Services

£255,000

2016/17 BUDGET PRESSURES – ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

DEPARTMENT FOR PEOPLE

4P Deprivation of Liberty Assessments (DOLS) for people in hospitals/care homes as well as deprivation of liberty applications to the Court of Protection for people in supported living/extra care housing - £100,000

Request for additional budget to cover the increased demand for the Deprivation of Liberty Safeguards. This follows the 2014 High Court Ruling which considerably widened the applicability of the deprivation of liberty safeguards and increased the number of requests for Best Interest Assessments/psychiatrist assessments and seperately, for people living in supported living/extra care housing, to make applications to the Court of Protection.

It is a statutory function of the local authority to carry out DOLS assessment within prescribed timescales.

5P Learning Disabilities - £400,000

Request for additional budget to fund the transition costs of supporting individuals with a Learning Disability who will reach the age of 18 and meet the eligibility criteria for adult social care intervention to ensure that they have positive outcomes in their lives

6P Older People Demographics - £500,000

Request for additional budget to cover the increased demand for care for Older People. This is due to the rise in the life expectancy of the residents in Southend who as a consequence remain in their own homes with a domicilliary care package, which will reduce their social isolation and increase their quality of life. This approach also aligns with the Care Act requirements to consider an individuals wellbeing and prevent, reduce or delay the need for more costly interventions. Supportring people in their own homes is a key priority as well as a a more cost effective way in comparison to within a residential environment.

Sub-total Department for People

£1,000,000

2016/17 BUDGET PRESSURES – ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

DEPARTMENT FOR PLACE

7P External Income Generation - £100,000

This sum is included in the Property team's budget as an income target secured from the management of various external projects, which are now no longer available to the Council. There are currently no opportunities to replace these external projects in order to deliver the income target.

Sub-total Department for Place **£100,000**

TOTAL PRESSURES **£1,355,000**

No.	Proposed Savings	Corporate	People	Place	Public Health	Proposed
		Services	£'000	£'000	£'000	£'000
		£'000	£'000	£'000	£'000	£'000
Corporate Services						
CS1	Cremation Fees		47			
CS2	Crematorium		12			
CS3	Cemetery Burial Fees		6			
CS4	Cemeteries & Crematorium Organist		17			
CS5	Customer Service Centre		37			
CS6	Capita One Transport System		10			
CS7	Citizens Account		10			
CS8	Restructure Registration, Facilities, Transport & Document Services		60			
CS9	Policy Engagement and Communication		25			
CS10	Outlook		50			
CS11	Discretionary Rate Relief		126			
CS12	Asset Rental Income		50			
CS13	Revenues Team		140			
CS14	Benefits Team		85			
CS15	Travelling Expenses		20			
CS16	Legal Additional Income		25			
CS17	Schools Appeals Income		10			
CS18	Emergency Planning Supplies		5			
CS19	Procurement Review		125			
CS20	Accommodation - Civic 2		100			
CS21	Capitalisation of major project support		75			
CS22	Cemeteries and Crematoria		23			
CS23	Legal Services and Land Charges		50			
CS24	Financial Planning & Control		40			
CS25	Programme Office		200			
CS26	People and Policy		60			
Sub-Total Corporate Services			1,408			1,408

No.	Proposed Savings	Corporate	People	Place	Public Health	Proposed
		Services	£'000	£'000	£'000	£'000
		£'000				£'000
	People					
PE1	Review of Learning Disabilities (LD) Services		1,000			
PE2	Review of Social Services for older people or working age adults		2,000			
PE3	Drug and Alcohol Specialist Treatment		61			
PE4	Adult Drug and Alcohol Specialist Treatment		33			
PE5	Housing Aids and Adaptations		68			
PE6	Removal of contribution to Director of Public Health		18			
PE7	Housing Restructure		50			
PE8	Special Educational Needs (SEN) Service		50			
PE9	Trading with Schools		60			
PE10	Children's Centres		100			
PE11	Management Saving		10			
PE12	SEN Team		75			
PE13	Education Psychology Savings		25			
PE14	Home to School Transport		50			
PE15	School Improvement		150			
PE16	Advocacy		10			
PE17	Short Break Grants (Aiming High)		50			
PE18	Placement Budgets		250			
PE19	Marigold Savings		30			
PE20	Child and Adolescent Mental Health Service (CAMHS)		12			
PE21	Targeted Youth Service		96			
PE22	Teenage Pregnancy		67			
PE23	Streets Ahead		100			
PE24	Youth Offending Service		89			
PE25	Connexions Service		61			
PE26	Contact Costs		10			
PE27	Workforce Strategy Restructure		35			
PE28	Workforce Strategy		25			
PE29	Supporting People		100			
PE30	Re-Tendering of Contracts		142			
PE31	Healthwatch		33			
PE32	Early Help Redesign		266			
PE33	Housing Aids and Adaptations		60			
PE34	Telecare Monitoring		50			
PE35	Social Care debt recovery		25			
PE36	Investment in equipment to reduce double handed care packages		50			
Sub-Total People			5,311			5,311

No.	Proposed Savings	Corporate	People	Place	Public Health	Proposed
		Services	£'000	£'000	£'000	£'000
		£'000	£'000	£'000	£'000	£'000
Place						
PL1	Grounds Maintenance			294		
PL2	Sport and Leisure			300		
PL3	Transport Contract Efficiencies			250		
PL4	Procurement Savings			650		
PL5	Highways Permit Scheme			100		
PL6	LED Street Lighting			440		
PL7	Parking Income			200		
PL8	Waste Collection Contract			925		
PL9	SMAC			40		
PL10	Museum			30		
PL11	Business Support Re-organisation			58		
PL12	Resort Services			30		
PL13	Development control income			50		
Sub-Total Place				3,367		3,367
Public Health						
PH1	Stop Smoking				61	
PH2	Drug and Alcohol Grant				140	
PH3	Prevention of unintended injuries				35	
PH4	Cognitive Behavioural Therapy Training in Primary Care				10	
PH5	Southchurch Connecting Communities Project				38	
PH6	Community Gym Project				22	
PH7	Schools Theatre in Education Programme				20	
PH8	Southend Weight Management Service				10	
PH9	Health Lifestyle Service Gateway				45	
Sub-Total Public Health					381	381
Proposed Savings Total 2016/17		1,408	5,311	3,367	381	10,467

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2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

DEPARTMENT FOR CORPORATE SERVICES

CS1 Cremation Fees - £47,000

Additional income from a 4% increase in the cremation fee and the introduction of a new Committal service.

CS2 Crematorium - £12,000

Additional income from additional memorial shrub beds and the introduction of a new memorial scheme ashes to glass estimate.

CS3 Cemetery Burial Fees – £6,000

Increase in Burial fees of 4% based on 14/15 performance will generate the additional income on the purchase of exclusive rights of burial and burial fees.

CS4 Cemeteries & Crematorium Organist - £17,000

Three organists (minimal hours) to be made redundant and customers to book and pay for the use of an organist direct with the Funeral Directors.

CS5 Customer Service Centre (CSC) - £37,000

The use of speech recognition and workforce management tool will enable the deletion of some vacant hours and 1 FTE CSC officer post..

CS6 Capita One Transport System - £10,000

The purchase of this system will enable the Transport Client Services Team to operate more efficiently and take on other duties: Dial-a-Ride management, routing and administration and will enable a reduction of 0.5 FTE administrative staffing.

CS7 Citizens Account - £10,000

Customer Services is currently working with the Department of Place on low 'end to end' integrated processes which can remove the demands on staff to key and re-key information from customer reports into ICT systems. Currently work is progressing to achieve an integrated solution across Waste and Highways. This will enable 0.3 FTE to be saved in the CSC in 2016/17.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

CS8 Restructure Registration, Facilities, Transport & Document Services - £60,000

Staffing restructure, including deletion of a Group Manager post to deliver the saving of £60,000.

CS9 Policy Engagement and Communication - £25,000

Restructuring within the group will achieve a £10,000 saving; Supplies and services would be reduced by £15,000 through an identified budget underspend.

CS10 Outlook - £50,000

Cease production and distribution of Outlook magazine and use other forms of targeted communication including on-line and other forms of social media already available to the Council.

CS11 Discretionary Rate Relief - £126,000

Due to the Government's change in the accounting treatment for business rates any funding for discretionary relief is now accounted through the main business rates funding we receive. Therefore, this separate budget is now no longer required.

CS12 Asset Rental Income - £50,000

Additional rental income from commercial leases and rents.

CS13 Revenues Team - £140,000

A review of this team's approach to billing and collection and consequent restructure including streamlining of management will deliver this saving.

CS14 Benefits Team - £85,000

A restructure of the team's approach to Benefit claim processing and quality and assurance checking alongside a review of management support will deliver this saving.

CS15 Travelling Expenses - £20,000

An ongoing underspend in the Members' travelling expenses budget allows this saving to be made.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

- CS16 Legal Additional Income - £25,000**
- Additional income for supplying legal services to third parties.
- CS17 Schools Appeals Income - £10,000**
- Additional income from Democratic Services supplying clerking support to School Admission Appeal Panels.
- CS18 Emergency Planning Supplies - £5,000**
- Underspend in budget to be removed.
- CS19 Procurement Review - £125,000**
- A review of ICT and Customer Services Contracts can generate the required cost reduction of £125k.
- CS20 Accommodation – Civic 2 - £100,000**
- Continue to market spare capacity across the Civic Campus to partner organisations generating additional income.
- CS21 Capitalisation of major project support - £75,000**
- Various staff working on key major infrastructure projects to be charged to the relevant Capital Programme budget e.g. Queensway, Airport Business Park.
- CS22 Cemeteries & Crematoria - £23,000**
- Reducing one post through a restructure of the team and a consequent voluntary redundancy will generate this saving.
- CS23 Legal Services and Land Charges - £50,000**
- A restructure of these services involving the deletion of 3 posts, the reassignment of various staff duties and entering into a joint working agreement with ECC, will result in a saving of £50K. At the same time the capacity of the Legal Section to handle the range of work required will be increased and resilience will be improved.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

CS24 Financial Planning & Control - £40,000

A restructure of this team arising from two part time voluntary redundancies will deliver this saving.

CS25 Programme Office - £200,000

Project Management is now embedded in the organisation and key corporate projects such as New Ways of Working and Agresso have either completed or been transferred into "business as usual". It is proposed therefore that this team is deleted and that the residual administrative functions are absorbed within existing resources.

CS26 People and Policy - £60,000

This proposal relates to the reduction of 2 HR Business Partner roles and a realignment of responsibilities across the HR Service.

Sub-Total Department for Corporate Services

£1,408,000

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

DEPARTMENT FOR PEOPLE

PE1 Review of Learning Disabilities (LD) Services - £1,000,000

The budget for LD services accounts for one of the largest areas of expenditure of around £16m. Savings will be realised by adopting a person centred service model which focuses on prevention and includes personal funding arrangements. Savings will be made through areas such as reduced high cost placements, avoidance of residential admissions and contract re-negotiations.

PE2 Review of social services for older people or working age adults - £2,000,000

Savings to be achieved by working with local partners to adopt a preventative, whole system approach to the delivery of social care services. This approach will allow for savings through areas such as reduction in high cost home care packages, avoidance of residential care admissions and contract re-negotiations. This saving will come from a budget of around £26m.

PE3 Drug & Alcohol Specialist Treatment - £61,000

The Southend Treatment and recovery Service contract is due to be renewed from April 2016 and we estimate costs will be saved through contract re-negotiation whilst maintaining service delivery.

PE4 Adult Drug and Alcohol Specialist Treatment - £33,000

It is proposed that the service will continue but responsibility for drug and alcohol rehabilitation be transferred from social care to public health.

PE5 Housing Aids and Adaptations - £68,000

Currently Aids and Adaptations team work is 50% on HRA properties and their time should be charged to the HRA rather than a cost borne by the General Fund.

PE6 Removal of contribution to Director of Public Health - £18,000

Social care have historically contributed funding towards the Director of Public Health. Following the permanent establishment of Public Health within the Local Authority this is no longer required and as such funding will be removed.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

PE7 Housing Restructure - £50,000

It is proposed that part of the housing allocation function currently undertaken by the Housing Needs Team be transferred to South Essex Homes and funded through the Housing Revenue Account.

PE8 Special Educational Needs (SEN) Service - £50,000

It has been agreed to use reform funding to cover some staffing costs. Longer term solutions will continue to be explored.

PE9 Trading with Schools - £60,000

Improved co-ordination of the sale of services to schools allowing us to maximise income and ensure schools are receiving value for money. We also propose a commission fee of 3% on all traded services which would equate to an increased income.

PE10 Children's Centres - £100,000

Southend currently has 9 Children's Centres across the borough each led and managed by separate organisations. Options are being explored to establish a single leadership and management structure for all 9 Children's Centres.

PE11 Management Saving - £10,000

This saving will be achieved through lower management costs following changes at Group Manager level for the Access and Inclusion, and School Place Planning and Capital teams.

PE12 SEN Team - £75,000

This saving will be achieved through reviewing the team costs and management overheads and reducing these or ensuring appropriate recovery of these costs where they relate to grant funded or traded activities.

PE13 Education Psychology Savings - £25,000

Proposed savings to be achieved through a review of non-statutory work to free up time for an increase in trading with schools, colleges and social care.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

PE14 Home to School Transport - £50,000

Savings will be achieved through a review of administration costs and increased use of personal budgets allowing for current service levels to be maintained.

PE 15 School Improvement - £150,000

Savings will be achieved through a staff restructure and reduction to commissioning budget. Targeted approach to commissioning will allow for current service to be maintained.

PE 16 Advocacy - £10,000

Savings will be achieved through reduction of budget for Youth Advocacy services. This reduction will be achieved through efficiencies and will not impact current service levels.

PE 17 Short Break Grants (Aiming High) - £50,000

Reduction in the amount of short breaks for disabled children commissioned. Grant funding will be reduced by supporting organisations to become self-sustaining and will not impact on current provision.

PE 18 Placement Budgets - £250,000

Due to a change in local demand it is estimated that external placement demand will be lower from 2016/17 and an estimated £250k will be saved.

PE 19 Marigold Savings - £30,000

These changes will be achieved through a reduction in management staffing of 1 FTE.

PE 20 Child and Adolescent Mental Health Service (CAMHS) - £12,000

This saving will be achieved by removing a Service Level Agreement committing to 2 days a week for one external practitioner. Following the commissioning of a new Emotional Health and Wellbeing service this is no longer required.

PE 21 Targeted Youth Service - £96,000

Savings to be achieved through changes to staffing with the deletion of 1 FTE and the funding of some posts via Young Carers budget.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

- PE 22 Teenage Pregnancy - £67,000**
- Savings achieved through staff restructure.
- PE 23 Streets Ahead - £100,000**
- It is proposed that £100k of management and overhead costs are funded from 2016/17 Payment by Results funding.
- PE24 Youth Offending Service - £89,000**
- Savings to be achieved through service redesign including staff requesting voluntary redundancy.
- PE25 Connexions Service – £61,000**
- £61k savings to be achieved through staff restructure and reduction of transport and supply costs.
- PE26 Contact Costs - £10,000**
- Due to a reduction in the number of looked after children there is a saving of £10K to be made from reduced contact costs.
- PE27 Workforce Strategy Restructure - £35,000**
- Restructure of workforce strategy function to ensure team fit for purpose to deliver priorities across department for 16/17.
- PE28 Workforce Strategy - £25,000**
- Saving derived from sustainable income generation via funding from local universities for student social work placements.
- PE29 Supporting People - £100,000**
- The proposal is to follow the national trend of Supporting People teams to be integrated with the Commissioning Team to streamline all commissioning functions into a single team. This will result in the reduction of 3 FTE posts.
- PE30 Re-Tendering of Contracts - £142,000**
- We propose to reduce contract costs by £142k from April 2016. This will be through contract negotiations to existing contracts and merging contracts together into a single service to make on-going savings and make it easier for customers /patients to find the support they need.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

These will include The Alzheimers' Society, BATIAS & The Empowering & Supporting Families Scheme, amongst others.

PE31 Healthwatch - £33,000

Central government grant contribution to fund Healthwatch has been significantly reduced for 16/17. It is proposed that the local contribution be reduced from April 2016. In addition to this we are currently exploring options to merge Healthwatch and Advocacy service into a single contract from October 2016 to make on-going savings and make it easier for customers / patients to find the support they need.

PE32 Early Help Redesign - £266,000

This saving is based upon the complete redesign of the Early Help function and the deletion of vacant posts. It is proposed that bringing together the current integrated Locality Team with Streets Ahead will also make lease savings and maintain an efficient service.

PE33 Housing Aids and Adaptations - £60,000

Following a comprehensive review of the housing aids and adaptation service it is possible to have joined-up services that are more efficient and offer better value for money. We propose creating a single multi-skilled aids and adaptations team which will realise savings.

PE34 Telecare Monitoring - £50,000

Telecare enables an empowering, preventative approach for individuals in the community and is essential to people to maintaining a high quality of life. Recent benchmarking work shows that monitoring call costs are higher than the regional average. We will review these costs with a view to reducing them whilst maintaining the positive impact telecare has on people's lives.

PE35 Social Care debt recovery – £25,000

These savings will be achieved by reviewing the functions carried out within business support and streamlining or automating some responsibilities.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

**PE36 Investment in equipment to reduce double handed care packages
- £50,000**

This proposal involves capital investment in the purchase of equipment that will reduce the number of double handed care packages commissioned by the Council. Recent studies show that a rising number of people receive 'double-up' care for moving & handling and with the right equipment in place; these individuals can be supported by one carer which reduces the cost of care packages.

Sub-Total Department for People

£5,311,000

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

DEPARTMENT FOR PLACE

PL1 Grounds Maintenance - £294,000

Grounds Maintenance Service to be delivered in house across the Borough – the proposed saving will be achieved from organisational efficiencies and a restructure.

PL2 Sport and Leisure - £300,000

Achieved by tendering Leisure Management Contract.

PL3 Transport Contract Efficiencies - £250,000

It is proposed to secure reductions in costs from new contract arrangements in transport services which are currently being renegotiated.

PL4 Procurement Savings - £650,000

The saving will be achieved through the competitive tendering of service contracts.

PL5 Highways Permit Scheme - £100,000

The saving (increased income) will be achieved as a result of the increase in works taking place on the highway. It may also require additional enforcement of permit and permit requirements.

PL6 LED Street lighting - £440,000

This is the net saving from LED Streetlighting project split between energy and maintenance. The budget saving will be greater but the gross saving will be offset to repay capital and interest on the Green Investment Bank financing.

PL7 Parking Income - £200,000

The saving (increased income) will be achieved by increasing parking charges in the central seafront area between April and October.

The proposed charges are set out in the Appendix to the Fees and Charges report.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

PL8 Waste Collection Contract - £925,000

Further to the recently agreed Waste Collection Contract there are additional savings in 2016/17.

- Full year effect - £425,000
- Equalisation - £500,000

PL9 SMAC - £40,000

Southend Marine Activities Centre has closed as a Council operation. The building is being marketed so will not be a revenue cost to the Council in future years.

PL10 Museum - £30,000

Proposal is to review Museum opening hours and restructure staff leading to a saving of £30k.

PL11 Business Support Re-organisation - £58,000

The Business Support team will be restructured to reduce management numbers and associated costs.

PL12 Resort Services - £30,000

The Resort Services management team will be restructured to reduce management costs and will deliver more focused approach to managing the foreshore.

PL13 Development control income - £ 50,000

Income in this area is projected to continue to be above the current budget and reflects an increase in the number of planning applications being submitted.

Sub-Total Department for Place

£3,367,000

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

DEPARTMENT FOR PUBLIC HEALTH

PH1 Stop Smoking - £61,000

Savings will be achieved through not recruiting to vacant posts following staff retirement. Savings will also be found from non-pay costs associated with the service.

PH2 Drug and Alcohol Grant - £140,000

The savings will be achieved via reduced contract spend related to externally commissioned drug and alcohol services for adult and young people. Savings will result from either contract re-negotiation and / or re-tendering to tighter service specifications and within a reduced budget. Consequently, it is not possible to precisely calculate where savings will be achieved, albeit it is likely that these will result from a combination of staff and premises reductions.

PH3 Prevention of unintended injuries - £35,000

Savings will be achieved by not commissioning additional bespoke interventions in this area.

PH4 Cognitive Behavioural Therapy Training in Primary Care - £10,000

Savings will be achieved through not commissioning this training programme for primary care and health and social care professionals.

PH5 Southchurch Connecting Communities Project - £38,000

The project is moving into the final stages and will enable savings to be achieved.

PH6 Community Gym Project - £22,000

The new proposed Southend Healthy Lifestyle Service will offer various health and wellbeing and physical activity opportunities allowing savings to be achieved through not commissioning a community gym project.

PH7 Schools Theatre in Education Programme - £20,000

A new risk awareness programme for schools is being currently being rolled out. This allows savings to be achieved through not commissioning the theatre in education programme on relationships and domestic abuse for secondary school aged young people in Southend beyond 2016/17.

2016/17 BUDGET SAVINGS - ALL COUNCIL SERVICES
(EXCLUDING SCHOOLS)

PH8 Southend Weight Management Service - £10,000

The Southend Adult Weight Management Service is due to go out to tender as part of the new Southend Healthy Lifestyle Service. This provides an opportunity to make efficiencies and enable savings to be made.

PH9 Health Lifestyle Service Gateway - £45,000

Savings will be achieved following amendments to the scope of the gateway element of the proposed new Southend Healthy Lifestyle Service. This service is pending full tender and the service specification has been amended to reflect the new requirements and outcomes.

Sub-Total Department for Public Health

£381,000

Summary

Corporate Services	£1,408,000
People	£5,311,000
Place	<u>£3,367,000</u>
Sub Total Departmental Savings	£10,086,000
Public Health	£381,000
TOTAL	£10,467,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2015/16

Within the forecast outturn figure, there are a number of proposals for appropriations to and from earmarked reserves. The final value of these appropriations will be assessed at year-end and reported as part of the closedown reporting.

Appropriations to Reserves

1. £342,000 to the New Homes Bonus Reserve

The Council is again in receipt of New Homes Bonus Grant. Rather than rely on it to support the general base budget, it is proposed that a proportion of the monies be used to support one-off projects in future years.

2. £809,000 to the Capital Reserve

As part of the financing arrangement behind the upfront payment of the three years pension deficit payments, monies were temporarily “borrowed” from the Capital Reserve. This transfer will repay these funds.

3. £3,973,000 to the Pensions Reserve

Similarly the Pensions Reserve was exhausted in 2014/15 to fund the pension deficit payment. This appropriation starts the process of rebuilding the Reserve to ensure the flexibility will exist in the future to be able to fund a similar arrangement if needed at the next pension revaluation in 2017/18.

4. £500,000 to the Interest Equalisation Reserve

Additional interest income has been earned during 2015/16. The Interest Equalisation Reserve was created to absorb the effects of fluctuations in investment income due to economic conditions, without affecting the delivering of services.

Total Appropriations to Reserves

£5,624,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

5. £277,000 from the LPSA Reserve

This is required to finance the costs of the Partnership Team.

6. £35,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £35,000 will be released in 2015/16 in support of the costs of the Borough elections due.

7. £1,945,000 from the Business Transformation Reserve

To fund a number of one-off investments during 2015/16, plus the use of £1,888,000 to allow the spread of the savings requirement over the MTFs cycle

8. £90,000 from the Agresso Reserve

To continue the process of investment in the ERP system, so as to secure the basis for more efficient back office functions

9. £700,000 from the Capital Reserve

This is to fund the costs associated with a number of capital projects

10. £200,000 from the Schools Improvement Reserve

To fund investment into Schools Improvement

11. £325,000 from the Support People Reserve

To support the transition of the Support People service to a lower level of base budget, the reserve will underpin some of the contracts pending their renegotiation

12. £300,000 from the Welfare Reform Reserve

To fund on-going work around welfare reform and housing benefit subsidy

13. £106,000 from the Social Fund Reserve

To fund the on-going work of the Essential Living Fund Team

14. £442,000 from the Grants Reserve

In accordance with proper accounting practice, grants received in 2014/15, but not used, were carried forward into 2015/16 via the use of earmarked reserves. This appropriation represents the release of some of those funds to support the grant related expenditure.

Appropriations to and from General Fund Earmarked Reserves

15. £1,001,000 from the Public Health Reserves

In accordance with proper accounting practice, public health grant received in 2014/15, but not used, were carried forward into 2015/16 via the use of earmarked reserves. This appropriation represents the release of those funds to support public health expenditure.

16. £274,000 from the Better Queensway Reserve

This relates to monies set aside in 2014/15 being used to fund the feasibility study into Better Queensway.

17. £558,000 from the Social Care Reserve

In accordance with proper accounting practice, grants received in 2014/15, but not used, were carried forward into 2015/16 via the use of earmarked reserves. This appropriation represents the release of some of those funds to support the grant related expenditure

18. £600,000 from the Waste Reserve

This is to equalise the impact of the saving being delivered from the new waste collection contract over its life

Total Appropriations from Reserves

£6,853,000

Appropriations to and from General Fund Earmarked Reserves**Appropriations for 2016/17**

The proposed appropriations to and from earmarked reserves included within the 2016/17 budget are:

Appropriations to Reserves**1. £1,003,000 to the New Homes Bonus Reserve**

The Council is again in receipt of New Homes Bonus Grant. Rather than rely on it to support the general base budget, it is proposed that a proportion of the monies be used to support one-off projects in future years.

2. £4,782,000 to the Pensions Reserve

The Pensions Reserve was exhausted in 2014/15 to fund the pension deficit payment. This appropriation completes the process of rebuilding the Reserve to ensure the flexibility will exist in the future to be able to fund a similar arrangement if needed at the next pension revaluation in 2017/18.

Total Appropriations to Reserves**£5,785,000**

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

3. £272,000 from the LPSA Reserve

This is required to finance the costs of the Partnership Team.

4. £36,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £36,000 will be released in 2016/17 in support of the costs of the Borough elections due.

5. £475,000 from the Business Transformation Reserve

To fund a number of one-off investments during 2016/17.

6. £15,000 from the Agresso Reserve

To continue the process of investment in the ERP system, so as to secure the basis for more efficient back office functions

7. £5,867,000 from the Capital Reserve

This is to fund the costs associated with a number of capital projects

8. £200,000 from the Schools Improvement Reserve

To fund investment into Schools Improvement

9. £325,000 from the Supporting People Reserve

To support the transition of the Support People service to a lower level of base budget, the reserve will underpin some of the contracts pending their renegotiation

10. £1,170,000 from the Social Care Reserve

In accordance with proper accounting practice, grants received in previous years, but not used, were carried forward via the use of earmarked reserves. This appropriation represents the release of some of those funds to support the grant related expenditure

11. £350,000 from the Social Fund Reserve

To fund the on-going work of the Essential Living Fund Team

12. £300,000 from the Welfare Reform Reserve

To fund on-going work around welfare reform and housing benefit subsidy

Appropriations to and from General Fund Earmarked Reserves

13. £429,000 from the Waste Reserve

This is to equalise the impact of the saving being delivered from the new waste collection contract over its life

14. £90,000 from the Cemetery and Crematorium Reserve

This is to fund the costs associated with a number of capital projects

15. £130,000 from the Public Health Reserve

This is to fund the costs associated with a number of capital projects

Total Appropriations from Reserves

£9,659,000

No.	Proposed Savings	Corporate	People	Place	Public Health	Proposed
		Services	£'000	£'000	£'000	£'000
		£'000	£'000	£'000	£'000	£'000
Corporate Services						
CS1	Cremation Fees		47			
CS2	Crematorium		12			
CS3	Cemetery Burial Fees		6			
CS4	Cemeteries & Crematorium Organist		17			
CS5	Customer Service Centre		37			
CS6	Capita One Transport System		10			
CS7	Citizens Account		10			
CS8	Restructure Registration, Facilities, Transport & Document Services		60			
CS9	Policy Engagement and Communication		25			
CS10	Outlook		50			
CS11	Discretionary Rate Relief		126			
CS12	Asset Rental Income		50			
CS13	Revenues Team		140			
CS14	Benefits Team		85			
CS15	Travelling Expenses		20			
CS16	Legal Additional Income		25			
CS17	Schools Appeals Income		10			
CS18	Emergency Planning Supplies		5			
CS19	Procurement Review		125			
CS20	Accommodation - Civic 2		100			
CS21	Capitalisation of major project support		75			
CS22	Cemeteries and Crematoria		23			
CS23	Legal Services and Land Charges		50			
CS24	Financial Planning & Control		40			
CS25	Programme Office		200			
CS26	People and Policy		60			
Sub-Total Corporate Services			1,408			1,408

No.	Proposed Savings	Corporate	People	Place	Public Health	Proposed
		Services	£'000	£'000	£'000	£'000
		£'000	£'000	£'000	£'000	£'000
People						
PE1	Review of Learning Disabilities (LD) Services		1,000			
PE2	Review of Social Services for older people or working age adults		2,000			
PE3	Drug and Alcohol Specialist Treatment		61			
PE4	Adult Drug and Alcohol Specialist Treatment		33			
PE5	Housing Aids and Adaptations		68			
PE6	Removal of contribution to Director of Public Health		18			
PE7	Housing Restructure		50			
PE8	Special Educational Needs (SEN) Service		50			
PE9	Trading with Schools		60			
PE10	Children's Centres		100			
PE11	Management Saving		10			
PE12	SEN Team		75			
PE13	Education Psychology Savings		25			
PE14	Home to School Transport		50			
PE15	School Improvement		150			
PE16	Advocacy		10			
PE17	Short Break Grants (Aiming High)		50			
PE18	Placement Budgets		250			
PE19	Marigold Savings		30			
PE20	Child and Adolescent Mental Health Service (CAMHS)		12			
PE21	Targeted Youth Service		96			
PE22	Teenage Pregnancy		67			
PE23	Streets Ahead		100			
PE24	Youth Offending Service		89			
PE25	Connexions Service		61			
PE26	Contact Costs		10			
PE27	Workforce Strategy Restructure		35			
PE28	Workforce Strategy		25			
PE29	Supporting People		100			
PE30	Re-Tendering of Contracts		142			
PE31	Healthwatch		33			
PE32	Early Help Redesign		266			
PE33	Housing Aids and Adaptations		60			
PE34	Telecare Monitoring		50			
PE35	Social Care debt recovery		25			
PE36	Investment in equipment to reduce double handed care packages		50			
Sub-Total People			5,311			5,311

No.	Proposed Savings	Corporate	People	Place	Public Health	Proposed
		Services	£'000	£'000	£'000	£'000
		£'000	£'000	£'000	£'000	£'000
Place						
PL1	Grounds Maintenance			294		
PL2	Sport and Leisure			300		
PL3	Transport Contract Efficiencies			250		
PL4	Procurement Savings			650		
PL5	Highways Permit Scheme			100		
PL6	LED Street Lighting			440		
PL7	Parking Income			200		
PL8	Waste Collection Contract			925		
PL9	SMAC			40		
PL10	Museum			30		
PL11	Business Support Re-organisation			58		
PL12	Resort Services			30		
PL13	Development control income			50		
Sub-Total Place				3,367		3,367
Public Health						
PH1	Stop Smoking				61	
PH2	Drug and Alcohol Grant				140	
PH3	Prevention of unintended injuries				35	
PH4	Cognitive Behavioural Therapy Training in Primary Care				10	
PH5	Southchurch Connecting Communities Project				38	
PH6	Community Gym Project				22	
PH7	Schools Theatre in Education Programme				20	
PH8	Southend Weight Management Service				10	
PH9	Health Lifestyle Service Gateway				45	
Sub-Total Public Health					381	381
Proposed Savings Total 2016/17		1,408	5,311	3,367	381	10,467

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**MEDIUM TERM
FINANCIAL STRATEGY
2016/17 to 2019/20**

February 2016

Contents

- 1 Introduction
 - 1.1 Objectives of the MTFS
 - 1.2 Limitations of the MTFS
 - 1.3 Corporate and financial timetable
- 2 National Context
 - 2.1 Spending Reviews (SRs)
 - 2.2 Public Finances and the Economy
 - 2.3 Value for Money
 - 2.4 Economic Situation
 - 2.5 Effect on Local Authority finances
- 3 Hierarchy of Plans
 - 3.1 Sustainable Community Strategy
 - 3.2 Corporate Plan
 - 3.3 Partnerships
- 4 Corporate Plan
 - 4.1 Corporate Vision
 - 4.2 Corporate Aims
 - 4.3 Corporate Priorities
- 5 General Fund Services 2016/17
- 6 Housing Revenue Account 2016/17
- 7 Asset Management Plan
- 8 Capital Programme
 - 8.1 Capital Expenditure
 - 8.2 Spending plans 2016/17 to 2019/20
 - 8.3 Funding of the Capital Programme
- 9 Treasury Management Policy and Prudential Indicators
 - 9.1 Background
 - 9.2 Borrowing
 - 9.3 Investments
 - 9.4 Financial Outlook
- 10 Corporate Assurance and Risk Management

- 11 Reserves Strategy
 - 11.1 General Fund Reserve
 - 11.2 Housing Revenue Account
 - 11.3 Earmarked Reserves
- 12 Fees and Charges Strategy
- 13 Funding of the Net Budget Requirement
 - 13.1 Government Funding
 - 13.2 Dedicated Schools Grant (DSG)
 - 13.3 Council Tax
 - 13.4 Total Available Funding
- 14 Medium Term Financial Plan
 - 14.1 Key assumptions
 - 14.2 Sensitivity analysis
 - 14.3 Financial Planning 2016/17 to 2019/20
 - 14.4 2017/18 and Beyond

Annexes

- Annex 1 General Fund Savings Proposals 2016/17 – All Council Services
(excluding schools)
- Annex 2 Earmarked Reserves
- Annex 3 Medium Term Financial Plan 2016/17 to 2019/20

1 Introduction

1.1 Objectives of the MTFS

The Medium Term Financial Strategy (MTFS) is designed to provide an integrated view of the whole of the Council's finances and outlook. It shows how the Council intends to align its financial resources to the aims and priorities of the Corporate Plan and the resulting Service Plans.

The MTFS is the Council's key financial planning document which informs service and resource planning, and shows how spending is balanced with the available funding. It identifies budget gaps in the medium term and allows the Council time to address them in a considered and planned way.

The MTFS takes into account national and local priorities so that it is realistic and reduces the risk of a significant budget gap occurring late in the budget setting process. It includes revenue and capital net expenditure for the General Fund and the Housing Revenue Account, reserves, financing of capital, treasury management and partnerships. This is to ensure that the Council sets a comprehensive but affordable budget.

The parameters set by the four year planning period of the MTFS are used to inform the development of the budgets for the General Fund, Housing Revenue Account and the capital programme for the first year of that planning period. This is to make sure that, in setting that budget, decisions are not taken that would create problems in future years and that the financial consequences of these decisions are sustainable.

The MTFS seeks to encompass the policies set by members in a way that Chief Officers acknowledge is achievable. It does this by forming an integral part of the Corporate Service and Resources Planning Framework.

The MTFS assists with the setting of a robust budget by taking into account the likely effect of identified budget pressures and risks materialising. It allows the modelling of the effect of different planning assumptions on the budget gap which facilitates decision-making that is affordable and realistic.

1.2 Limitations of the MTFS

The further the MTFS looks to the future, the more uncertainties there are. Spending Round 2015 (SR15) announced in November 2015 set out the Government's spending plans for the remainder of the current Parliament, but also announced another fundamental review in Local Government Funding and Responsibilities. This MTFS incorporates the headline numbers from SR15, but until the consultations expected over the summer have been released there remains an inherent level of uncertainty of the impact on the Council.

1.3 Corporate and financial timetable

The MTFS forms an integral part of the Corporate Service and Resources Planning Framework. The agreed planning cycle resulting from this framework involves Member and Chief Officer engagement and challenge throughout the process and this is set out below:

During the January to March period preceding the start of the financial year, the budget and policy framework for the new year is set through a suite of documents incorporating the Corporate Plan, the Medium Term Financial Strategy and Plan, the Capital Programme and the annual Revenue Budget. Individual Service Plans sit beneath the overarching Corporate Plan.

During the year, the budgetary plans are monitored on a monthly basis, with rectifying management action being taken to keep spending within the cash limited budgetary envelope. The longer term MTFS and MTFP are kept under review, particularly in light of changing economic and political circumstances. At the same time the Corporate Plan and Service Plans are reviewed through the Monthly Performance Report.

Leading into the next budget round, the MTFS is formally reviewed both for changes to financial circumstances, but also for changes to corporate and service priorities. Through a series of iterations, within the overall constraints of available resources, the financial plans are brought into alignment with the Corporate Plan.

2 National Context

2.1 Spending Reviews (SRs)

Spending reviews (SRs) are critically important to local authorities because the government decides how much money it will give to local government as a whole via Formula Grant. The process also determines how much money will be given to Government departments, many of whom may then provide separate funding to councils.

Spending reviews are co-ordinated and managed by HM Treasury. The dates and length of spending reviews vary. Comprehensive spending reviews (CSRs) tend to be less frequent. They aim to take a longer term view and usually involve a series of zero-based reviews of public spending.

The last four spending rounds, set spending plans for the following years:

Year	2007 CSR	2010 SR	2013 SR	2015 SR
2007/08				
2008/09	■			
2009/10	■			
2010/11	■			
2011/12		■		
2012/13		■		
2013/14		■		
2014/15		■		
2015/16			■	
2016/17				■
2017/18				■
2018/19				■
2019/20				■

SR15 sets out the government's spending plans for 2016/17 to 2019/20. The government has protected a number of core priorities from the spending reductions and these include:

- Spending 2% of Gross Domestic Product (GDP) on defence for the rest of this decade;
- Spending 0.7% of Gross National Income on overseas aid;
- Providing the NHS in England with £10 billion per year more in real terms by 2020/21 than in 2014/15;
- Increasing the basic State Pension by the triple lock in April 2016, so that it rises to £119.30 a week;
- Protecting schools' funding in England in real terms over the Spending Review period;

- Protecting overall police spending in real terms over the Spending Review period; and
- Maintaining funding for the arts, national museums and galleries in cash terms over this Parliament.

2.2 Public Spending and the Economy

The national economy and global economic climate continue to drive Government policy and decisions on public spending.

The Autumn Statement

The Chancellor of the Exchequer presented his Autumn Statement alongside SR15 to the House of Commons on 25 November 2015.

Key announcements relevant to local government within the Chancellor's Statement are summarised below.

Local Government Revenue Funding

The government has presented local government funding across two funding sources; these being:

1. DCLG Local Government DEL

The 2015/16 Baseline for this is £11.5bn. It is therefore believed to include:

- Revenue Support Grant £9.5bn
- New Homes Bonus £1.0bn
- Other DCLG supported Grants £1.0bn

2. Locally Financed Expenditure

The 2015/16 Baseline for this is £28.8bn.

The footnote to the table suggests that this amount is total council tax income, plus growth in business rates (RPI plus taxbase). It also factors in the assumption that local authorities will move £1.1bn, £0.8bn, £0.4bn and £0.0bn to reserves over the Spending Review Period.

Table 1 and Figure 1 below shows the figures provided within the report. It is important to note that

- The current Business Rates Baseline of £11.3bn is not factored into the figures.
- The figures do not include the move to 100% business rate retention, which is to be consulted upon shortly
- Changes to grants paid to local authorities from other central government departments are not taken into account.

Table 1 Local Government Funding amounts as per SR15

	2015/16	2016/17	2017/18	2018/19	2019/20
	£bn	£bn	£bn	£bn	£bn
DCLG Local Government DEL	11.5	9.6	7.4	6.1	5.4
DCLG Local Government DEL % change		-16.5%	-22.9%	-17.6%	-11.5%
Locally Financed Expenditure	28.8	29.0	31.5	33.6	35.1
Locally Financed Expenditure % change		0.7%	8.6%	6.7%	4.5%

This does not include the £0.25bn per annum in funding from DCLG to support New Homes Bonus

Figure 1 Local Government Funding amounts as per SR15

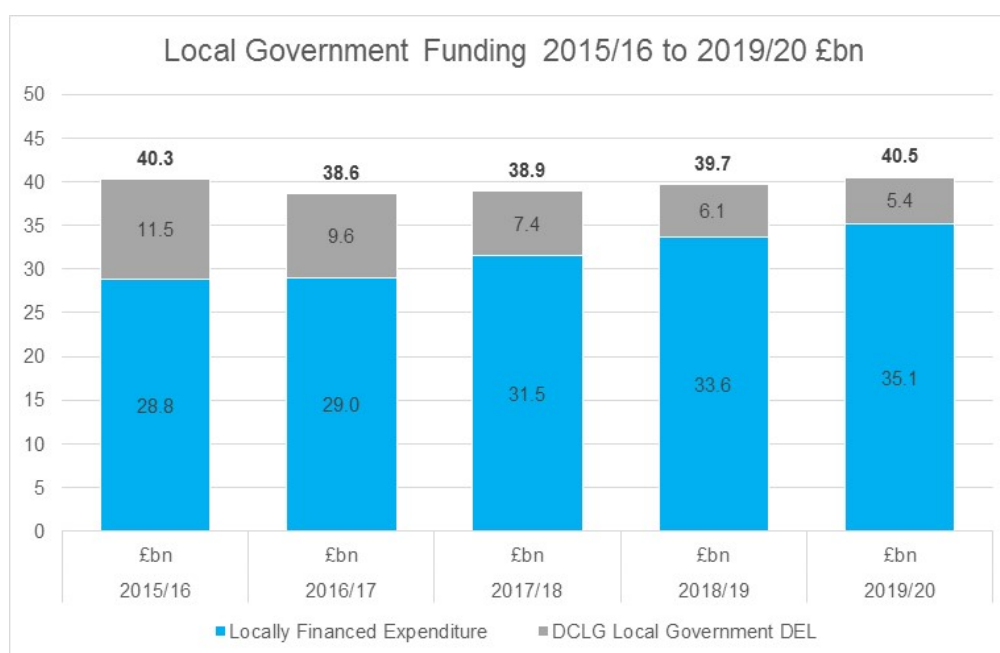


Table 1 shows:

- A reduction in funding of £6.1bn in local government DEL over the period. This equates to a 53% reduction in funding. The SR report shows the “Cumulative real growth” for this change as -56% (i.e. including the impact of forecast inflation).
- Total funding increases from £40.3bn to £40.5bn.

In order to put the 53% funding into perspective, it is necessary to consider this in the context of current Settlement Funding Assessment levels (i.e. including the business rates element). For 2015/16, total funding from SFA is £22.2bn. Therefore, a reduction of £6.1bn over the Spending Review period would represent a reduction of 27.5%.

However, what is unclear from the figures is the extent to which allowances have been made for the RPI growth in business rates i.e. LG Futures forecasts that the Business Rates baseline is to grow from £11.3bn to £12.1bn over the SR15 period. If the funding amounts remain as indicated in table 3.1 above, it would mean that

part of the £6.1bn would be offset by the RPI growth in business rates of £0.8bn i.e. a £5.3bn cut (so a 23.9%, rather than a 27.5% cut). Table 3.2 below gives both scenarios (i.e. taking off RPI increases from future funding amounts and assuming that local government keep the RPI increase on top).

Table 2 Forecast SFA Equivalent Funding 2016/17 to 2019/20

	2015/16 £bn	2016/17 £bn	2017/18 £bn	2018/19 £bn	2019/20 £bn
2015/16 Baseline	22.2	22.2	22.2	22.2	22.2
Cumulative Cut to be applied		-1.9	-4.1	-5.4	-6.1
Funding Level	22.2	20.3	18.1	16.8	16.1
Cumulative % change		-8.6%	-18.5%	-24.3%	-27.5%
Funding Level (from above)	22.2	20.3	18.1	16.8	16.1
Forecast RPI growth in NDR Baseline		0.1	0.3	0.6	0.8
Revised Funding Level	22.2	20.4	18.4	17.4	16.9
Cumulative % change		-8.1%	-17.0%	-21.8%	-23.9%

Due to the way in which the figures have been presented, it therefore remains to be seen what the total extent of the funding reductions are. For subscribers to LG Futures' Medium Term Revenue Resource model, the cash reduction that LG Futures forecast between 2015/16 and 2019/20 was £5.4bn, which is between the two figures above (i.e. -£6.1bn and £-5.3 bn) and therefore individual authority forecasts should not be significantly altered with either of the possible scenarios above.

Alongside the overall funding amounts, there were a number of specific local government related announcements within the Spending Review Report; these are explained below:

Social Care

As widely discussed in the days leading up to SR15, the government is to allow local authorities with adult social care responsibilities, the power to raise an additional 2% through council tax to fund adult social care. The 2% would be in addition to the council tax referendum limit (later set at 2%) and would need to be used for adult social care only.

This is expected to raise an additional £2bn per annum by 2019/20. The government also announced that £1.5bn will be made available to local authorities to add to the Better Care Fund by 2019/20.

The SR report states that there will be savings made to Public Health Funding, with 3.9% average real terms saving per annum over the next five years (therefore assumed to mean from £3.4bn in 2015/16 to £3.1bn by 2020/21) and that the ring fence will be maintained for 2016/17 and 2017/18. The government are also planning to consult on moving the funding from the current grant-based system to being funded from retained business rates.

Funding Reform

The Chancellor re-iterated previous announcements regarding the move to 100% business rates retention by the end of this Parliament. As indicated above, none of the figures published reflect this move and the report indicated that the government will consult shortly on this area.

The government also intends to consult on changes to the local government finance system to rebalance support, including to those authorities with social care responsibilities by taking into account the main resources available to councils, including council tax and business rates. Based on articles published recently, this is taken to be reference to a possible change in the local share of business rates between county councils and districts.

Key features of the move to 100% business rates retention will include the ability for directly elected Mayors to increase the local rate for specific infrastructure projects and the ability for local authorities able to reduce rates locally.

Local authorities will be able to spend 100% of fixed asset receipts (excluding Right to Buy) on the revenue costs of “reform projects” (details to be announced alongside the provisional settlement).

The report included reference to the additional responsibilities that 100% business rates retention may bring. It suggested that the government would consider transferring responsibility for funding the administration of Housing Benefit for pensioners and Public Health funding (as above).

There will be an extension to the doubling of small business rate relief (SBRR) in England for 12 months to April 2017.

As previously announced, the government confirmed that the current review of business rates will report at Budget 2016 and it will be fiscally neutral (it remains to be seen if this is neutral nationally, or at an individual authority level).

Education

The Spending Review has protected the core schools’ budget in real terms, enabling the per pupil rate for the Dedicated Schools Grant to be protected in cash terms.

The government will introduce the first national funding formula for schools, high needs and early years. The government will launch a detailed consultation in 2016 and implement the new formulae from 2017/18.

There will be investment of “£3bn over the Parliament to open 500 free schools and provide 600,000 additional school places, rebuild and refurbish over 500 schools and address maintenance needs.

The government plans to extend Academies and, in doing so, to save up to £600m on the Education Services Grant.

New Homes Bonus

The government is to consult on reforms to the New Homes Bonus, including means of 'sharpening' the incentive to reward communities for additional homes and reducing the length of payments from 6 years to 4 years. This will include a preferred option for savings of at least £800 million, which can be used for social care. Details of both reforms will be set out as part of the local government finance settlement consultation, which will include consideration of proposals to introduce a floor, which is intended to ensure that no authority loses out disproportionately.

Other relevant announcements include:

- The Right to Contest regulations will be strengthened to encourage local authorities to release surplus assets, (this allows communities' rights to reclaim land).
- The government will consult on requiring all authorities to record all property assets in a consistent way using the government's electronic Property Management Information System (e-PIMS).
- The government will publish guidance for pooling Local Government Pension Scheme Fund assets into up to six British Wealth Funds, containing at least £25 billion of Scheme assets each. The government is inviting administering authorities to come forward with their proposals for new pooled structures in line with the guidance to significantly reduce costs, while maintaining overall investment performance.
- Funding of £500m for Disabled Facilities Grant, to fund up to 85,000 housing adaptations per annum.

2.3 Value for Money

Value for money (VFM) defines the relationship between economy, efficiency and effectiveness. A successful VFM approach delivers services at a low cost, with a high productivity and results in successful outcomes.

VFM had a raised profile as part of the Audit Commission's Use of Resources judgement, which formed part of the Comprehensive Area Agreement (CAA). All work on the CAA was stopped immediately following a decision by the Coalition Government in the summer 2011. The requirement for a scored assessment has been removed but auditors still have a continuing statutory responsibility to give a conclusion on whether audited bodies have proper arrangements for securing VFM.

Despite this change of emphasis by Government, it is still this Council's vision for improving value for money 'to be recognised as a council that provides value for money by making the best uses of our resources: including people, money, information and physical assets by our residents, employees and stakeholders.' In addition to the auditor conclusion on VFM this will be monitored and challenged by taking part in benchmarking clubs.

2.4 Economic situation

The Council retains the services of Capita Asset Services as its Treasury Management advisors. Part of their service is to provide commentary and forecast about the economy.

Capita Asset Services Commentary (January 2016)

Recent data points to UK GDP growth being slower than expected, with Q2 and Q3 quarterly growth both revised lower, to 0.5% and 0.4% respectively, which leaves growth in the first three quarters at 2.1%. Consumer confidence remained high and the recovery is being consumer driven as real household spending accelerated in Q3. Mortgage approvals increased in November. The trade deficit widened to £4.1bn at the start of Q4, and the deficit excluding oil and "erratics" hit a five year high. The strength of Sterling has meant that exporters have had to cut prices to remain competitive. Employment has increased in the three months to October, helped by a surge of self-employment. This has pushed employment levels to a record high and the rate of unemployment fell for a fourth month, and now stands at 5.2%. However, with substantial part time job growth as well the labour market is not quite as robust as the headline might suggest, as there are many who would like to work full time but are unable to secure such work. CPI returned to positive territory in November, but only just at +0.1%, with transport the greatest contributor, as clothing/footwear discounting proved a drag. If utility companies pass on falling wholesale costs, then household energy prices will also fall. Notwithstanding these short term impacts, it is generally agreed that consumer price inflation will rise in the near future. Few inflationary pressures are evident elsewhere, thus reaching target inflation levels remains a distant prospect. Markets are convinced that the first UK rate rise will be delayed until 2017. UK equities had a disappointing end to the year, the FTSE dropping 2% month on month but this was in line with global falls. The FTSE 250 which is far more domestically focussed

was rather steadier, suggesting that investors are less concerned about the UK economy than the prospects for the wider global economy.

Eurozone (EZ)

Though there are indications that there has been slowing towards year end, surveys suggest that rates of growth have remained reasonable. Germany remains stronger than its partners and indicators point to quarterly growth accelerating and pushing annualised growth to around 2%. French indicators were less upbeat as activity appears to have been affected by the Paris atrocities. Overall across the bloc spending growth figures suggest that the consumer recovery may be losing momentum, with retail sales falling marginally in October, as they had the previous month. However, of the four main economies in the bloc, consumer confidence rose in all but Germany in 2015. The labour market recovery remains in place with monthly falls in jobless numbers extended to thirteen months in October. This pulled the rate of unemployment down to 10.7%. Within the bloc the vast gulf in fortunes of workers remains, with a 20.5% spread between the rate of unemployment in Germany and Greece. Inflationary pressures remain subdued, with headline CPI of just 0.2% in December leaving overall inflation for the year at a record low 0%. The negative impact of energy prices will wear off as the year progresses, even though there have been fresh oil price declines. Core inflation will remain low. Weak wage growth and labour costs will suppress upward pressures on services inflation. The ECB disappointed the markets by failing to deliver the policy changes that had been suggested prior to its December policy meeting decision. At this meeting the only move was to extend the existing QE programme to at least March 2017 and to cut deposit rates by just 10 basis points. However, the ongoing asset purchases and further improvement of conditions in the banking sector could see money and lending growth pick up over the coming quarters. The disappointment of the ECB decision saw short term interest rates and the value of the Euro pick up, but markets continue to price in the chance of additional action further down the line. Expectations of further interest rate divergence with other major economies, notably the UK and US should, though, prevent significant Euro strengthening.

USA

There is a currency-driven divergence between manufacturing performance and the rest of the US economy, as the currency's surge leaves the sector staring at another recession. The remainder of the economy is doing well, and strong domestic demand is, in part, why the \$ has appreciated so strongly. Mining output was hit by the falling oil price again in November, and the continuance of weakening prices could see the numbers of active drilling rigs fall again. Oil and gas extraction has proved relatively stable, but faces a decline next year. Core sales proved strong, and are indicative of real consumption growth of about 2.5% year on year in Q4. This has been rather mixed recently, but real income gains have proved more robust and that points to households having the capacity to draw on savings. The prospect of interest rate hikes should not concern households as debt services' costs are still at historically low levels. Over time though, as borrowing costs increase it will hit consumption in sensitive areas, most notably durable goods. The unemployment rate slipped to 5.0% in November, with the economy pushing full employment. Wage gains have not been as significant as might be expected in the circumstances. Falling energy prices are keeping monthly inflation in check but the annual rate of the headline measure did rise to 0.5% on

base effects, as last year's larger oil price declines drop out of the equation. Analysts expect headline inflation to return to the target level of 2% not too far into 2016. The Fed raised rates, to 0.25-0.50%, at its final meeting of the year, as had been heavily indicated by senior members. Market rates have, generally, reacted as expected, with short term rates increasing, but longer dated Treasury yields have fallen.

Asia

The Asian economies remain a concern with the Chinese economy still struggling to attain the levels of desired growth as the authorities seek a more balanced growth generation. However, despite disappointing figures, some analysts believe that growth is more likely to improve than slow in the coming months. Confidence among small and medium sized businesses has edged higher and the argument put forward for growth is that what has been seen is structural slowing and reversal of previous monetary tightening will feed recovery. The Japanese economy remains way off the government's targeted inflation levels and the problems in China, a major trading partner, is not helping the situation. External commentators believe that the Bank of Japan should be adding to stimulus packages to boost growth, but that is not the case within Japan. However, it would seem likely that if the situation does not improve in early 2016 the internal pressures may start to build.

Summary and interest rate view

UK interest rates look set to remain where they are for most, if not all of this year. The recent economic data does not offer any compelling reason for an increase at this point and the February BoE Quarterly Inflation Report will be anticipated by the markets. In the US the first rate hike of the up-cycle has been delivered and discussion is now on when the next will be sanctioned. Meanwhile, in Europe the pressure will be on the ECB to act further if the economy fails to ignite. The concern remains that failing to take more decisive action in December may exacerbate problems rather than alleviate them, in the short term, as markets, investors and consumers are unclear about what is likely to happen in the months ahead.

2.5 Effect on Local Authority finances

In times of recession and economic retrenchment there are increased demands for local authority services from residents and local businesses. Despite recent encouraging signs at a national macro level, the effects of economic recovery have yet to reach most people and businesses at a local level. This coincides with less, or delayed, income from Council Tax, Business Rates and fees and charges.

The measures being taken by the Government continue to reduce the funding available from Revenue Support Grant and restrict the amount local authorities can raise in Council Tax. To lessen the effect of this, the Government has removed the ring-fencing from most grants so that local authorities can decide how best to apply them to services, and is continuing to give a grant to local

authorities who do not increase their Council Tax.

The Government has not offered a freeze grant in 2016/17. There has been a fundamental shift in the Government's view where it assumes local authorities will increase Council Tax by the referendum limit and for social care authorities such as Southend-on-Sea also will raise an additional 2% to help fund Adult Social Care. The proposed budget includes both of these council tax increases.

The previous Coalition Government also introduced major changes from 2013/14 that significantly increases the financial risk environment that the Council finds itself in.

- Council Tax Benefit became a localised scheme from 1 April 2013. Central government have handed over full responsibility, but with only 90% of the required funding. The Council has had to therefore introduce a scheme that reduces the benefit payable to working age claimants by 25% (as the Government has insisted that pensioners have their benefits position protected). The Council therefore now carries the financial risk of a growth in claimant numbers, which it will need to fully fund, and the risk of non-collection of the 25% council tax liability charged to working age claimants for the first time.
- Business rates have also been "localised". The Government has not given any local control over the business rate poundage – that is still be set centrally. However as part of the financial settlement, local government retains 50% of money assumed to be raised from local businesses. This is topped up by Revenue Support Grant and "top-up" payments to the full amount of the baseline need. Should actual business rate receipts exceed expectations the additional income is shared with central government. However the converse is also true; subject to certain safety net arrangements, the risk of lower business rate receipts is also shared. Local government funding is therefore now intrinsically linked to the performance of the local (and national) economy.
- 2015/16 saw the introduction of the Better Care Fund between the Council and Southend Clinical Commissioning Group, pooling at least £12.7 million of existing funding streams between the two organisations to develop transformation changes to the delivery of services to older and disabled people. The success of this initiative is therefore crucial to not only securing the funding, but also to underpin our ability to continue to drive necessary efficiency and therefore monetary savings in this area. At the time of writing this report announcements about the size and nature of the 2016/17 BCF are still awaited. Therefore the budget assumes that the existing flows from the BCF pool to support adult social care will continue.
- 2015/16 also saw the introduction of the initial measures of the Care Act, principally the introduction of assessments for carers. Additional funding has been received both directly and through the Better Care Fund, which is in the middle range of initial estimates of cost. The direct funding has been rolled into the main revenue support grant. The full introduction of the Care Act has also been suspended for the life of the current Parliament.

The combined effect of the legacy of recession and the deficit reduction measures has been to increase costs, whilst reducing income and funding, leading to large budget gaps to be bridged in each of the next four financial years.

3 Hierarchy of Plans

3.1 Sustainable Community Strategy

The Sustainable Community Strategy (SCS) provides the Vision for Southend as agreed by partners on the Local Strategic Partnership (Southend Together). Southend Together is a single body that brings together at a local level the different parts of the public sector as well as the private, business, community and voluntary sectors so that different initiatives and services support each other and work together. The current SCS is a 10 year vision from 2007-2017. The Corporate Priorities are developed in conjunction with the SCS.

3.2 Corporate Plan

The Corporate Plan ensures that the Council's aims and priorities are focused on delivering its Vision for the community and the aspirations set out in the Sustainable Community Strategy. It is the Council's method of communicating to its stakeholders how it will realise its vision and deliver the five corporate aims. It sets out:

- An overview of the Council's long-term Vision, Aims, and Priorities;
- An assessment of 'where we are now';
- A summary of 'where we need to be'; and
- An outline of 'what do we need to do to get to where we need to be'.

The Corporate Plan operates at three levels:

- As a Corporate Plan translating community ambitions – as set out in the Sustainable Community Strategy - in to Council priorities;
- As a Performance Plan, reporting the Council's performance against its priorities and outlining improvement opportunities; and
- As an Annual Report – enabling stakeholders to view service and financial performance of the Council.

Southend's Corporate Plan is a three-year rolling plan and the MTFS is embedded within and integral to it. The priorities and desired outcomes within the Corporate Plan drive the MTFS.

The Corporate Plan is refreshed annually to take account of any changes – for example new challenges, achievements, national and local influences, feedback from inspection reports; and also to assess whether sufficient progress has been made.

3.3 Partnerships

The Council is a key partner of Southend Together, a group of voluntary organisations, public sector agencies, and representatives of local businesses working to achieve shared goals for the Borough. The Vision and Aims in the Corporate Plan are the council's contribution to the overall Community Vision for Southend.

The Council believes that working in partnership is the best way of identifying and meeting the needs of all its communities. This includes the delivery of services in partnership, for example with the health or law enforcement sectors, the voluntary and community organisations in the town, and with the private sector. The clear direction of travel, set by customer demands, government policy and financial effectiveness, is for increased integration and joint working.

4 Corporate Plan

4.1 Corporate Vision

The corporate vision of 'Creating a better Southend' sets out the Council's purpose and what it is working to achieve. 'A better Southend' is defined as a place:

- with a strong and cohesive community and attractive environment;
- where people are able to maximise their potential and have an excellent quality of life;
- that is desirable for people to live, learn, work, visit and play in harmony with each other, whatever their differences or backgrounds;
- which celebrates the widest range of cultural activities and benefits from outstanding learning opportunities.

4.2 Corporate Aims

The corporate aims cover the main challenges and keep the Council focussed on what is important and connect it with local people's views. They help the council monitor how well it is achieving its plans and help it decide where to allocate available resources. The aims are:

A Safer Southend will be somewhere with low crime rates and low fear of crime, where our night time economy is welcoming and anti-social behaviour is uncommon. Our vulnerable people will have independent and meaningful lives within the community. Our environment and roads will be safe.

A Cleaner Southend will have streets, parks and outdoor spaces that are clean and inviting. Local people will consume less, recycle more and will be confident that their waste is collected and disposed of well.

A Healthier Southend will have high quality healthcare services with reduced health inequalities between residents in different parts of the borough. We will have a thriving healthy schools programme. Good quality housing will support community well-being and vibrant sport, culture and leisure opportunities will contribute towards healthier lifestyles.

A Prosperous Southend is where companies invest here because of our good transport networks, attractive environment and excellent skills base. Businesses start-up, develop and expand. Local people can, at any age, have high quality education and learning and fulfilling employment opportunities. Vibrant and varied leisure activities and tourism activities will increase visitor numbers. It also provides a supportive environment for businesses and the local economy during the current economic downturn.

An Excellent Council delivers high performing, high quality, value for money services that continuously improve. We listen to our community and design services which meet their needs. We work well with our key partners to help our communities develop, identify needs and deliver high quality services.

4.3 Corporate Priorities

The Corporate Priorities support the aims and vision of the Council along with the objectives of Southend Partnerships to improve the quality of life, prosperity and life chances for people in the borough.

Council's Vision	"Creating a better Southend"
Council's 5 Aims	Council's 15 Corporate Priorities 2016-17
Safe	To: <ul style="list-style-type: none"> • Create a safe environment across the town for residents, workers and visitors. • Work in partnership with Essex Police and other agencies to tackle crime. • Look after and safeguard our children and vulnerable adults.
Clean	To: <ul style="list-style-type: none"> • Continue to promote the use of green technology and initiatives to benefit the local economy and environment. • Encourage and enforce high standards of environmental stewardship.
Healthy	To: <ul style="list-style-type: none"> • Actively promote healthy and active lifestyles for all. • Work with the public and private rented sectors to provide good quality housing. • Improve the life chances of our residents, especially our vulnerable children and adults, by working to reduce inequalities and social deprivation across our communities.
Prosperous	To: <ul style="list-style-type: none"> • Maximise opportunities to enable the planning and development of quality, affordable housing. • Ensure residents have access to high quality education to enable them to be lifelong learners and have fulfilling employment. • Ensure the town is 'open for businesses' and that new, developing and existing enterprise is nurtured and supported. • Ensure continued regeneration of the town through a culture led agenda.
Excellent	To: <ul style="list-style-type: none"> • Work with and listen to our communities and partners to achieve better outcomes for all. • Enable communities to be self-sufficient and foster pride in the town. • Promote and lead an entrepreneurial, creative and innovative approach to the development of our town.

5 General Fund Services – 2016/17

The Corporate Priorities are reflected in the 2016/17 General Fund budget being recommended to Council at its meeting on 25 February 2016. It includes proposals for savings and efficiencies totalling £10.1 million to balance the budget, these are summarised below by the relevant Department:

- Corporate Services £1,408,000
- People £5,311,000
- Place £3,367,000

The 2016/17 General Fund budget also includes:

- Inflation Allowance of £1,240,000.
- Corporate Cost Pressures of £1,355,000.

The proposals for savings and efficiencies for 2016/17 are summarised in Annex 1 and are incorporated into the Medium Term Financial Plan in Annex 3.

6 Housing Revenue Account – 2016/17

The Housing Revenue Account is a ring-fenced account which stands separate from the General Fund, although there are charges between the two funds to reflect Service Level Agreements and corporate support services.

Under the provisions of the Localism Act 2011, the Housing Revenue Account (HRA) became “self-financing” on 1 April 2012: That is in return for the payment of lump sum, funded by borrowing, to HM Treasury, the HRA no longer has to pay negative subsidy each year to the Government. The HRA is the statutory “landlord” account for the authority. The Council is obliged by law to set rents and other charges at a level to avoid a deficit on the HRA balance. Changes to regulations over recent years, notably the introduction of rent restructuring in 2002, mean that the dwelling rent income streams had become largely fixed. The approach in recent years has been to work within the guidelines set by the government. Despite the introduction of “self-financing” for the HRA no longer requiring strict adherence to rent restructuring, the same approach has been continued given that the settlement underpinning self-financing assumed full convergence would be achieved.

The HRA estimates have been prepared alongside South Essex Homes, and incorporate their management fee bid.

The Government are in the process of introducing new legislation that will fundamentally change the economics of the HRA. The Welfare Reform and Work Bill will force the Council to reduce rents by 1% each year from 2016/17 to 2019/20, and will also introduce provisions to charge market rents for “high” earners. The Housing and Planning Bill will force Councils to sell high value voids to compensate housing associations for the Government’s policy to extend the right to buy to these organisations, and will also enforce fixed term tenancies.

As the legislation is still passing through Parliament, and the associated regulations yet to be published, it is considered premature to produce a HRA Medium Term Financial Plan and Strategy at this stage.

Clearly though there is a need to develop a new business plan for the HRA that reflects the new environment within which it needs to operate. To that end work is underway to identify

- The impact of the Welfare Reform and Work Bill and the associated regulations once issued, that deal with the required reduction in rents and Pay to Stay;
- The impact of the Housing and Planning Bill, and the associated regulations once issued, that deal with the enforced sale of high value stock and fixed life tenancies;
- An up to date 30 year business plan for capital investment, repairs and maintenance;
- A reassessment of the HRA depreciation policy, looking at realistic component life cycles, and reflective of the need to reinvest back into the stock;
- Required efficiency targets for South Essex Homes;
- Any proposals arising from the Sheltered Housing review; and
- The impact of Better Queensway.

It is proposed that the HRA Medium Term Financial Plan and Strategy be brought back to Cabinet in autumn 2016 to inform the debate on the 2017/18 and later years HRA budgets.

7 Asset Management Plan

The Asset Management Plan (AMP) sets out the way in which the Council makes decisions on asset related matters and identifies procedures and governance arrangements to monitor and improve the use of its assets to increase efficiency and maximise returns. The plan is reviewed annually alongside the MTFS.

The Plan divides all the Council's assets into five investment blocks. These are

- Operational assets – The Council's operational buildings
- Non-operational assets – The Council' investment portfolio
- Regeneration assets – Assets acquired or held to support regeneration.
- Surplus Assets – Assets which have no sound case for retention.
- Infrastructure required to deliver the Plan, notably ICT

Some assets sit within specific policy and legislative frameworks, or are important by virtue of specific features of Southend. These are housing, highways and transport assets, schools and children centres, car parks, listed buildings and designated areas, and the sea defences and cliffs.

The AMP brings asset-related decision making (on acquisition and disposal) together with the procedures guiding investment through the Capital Programme. The structure maintains a Capital Strategy & Asset Management Group (CS&AMG) which evaluates the business cases on larger projects, and makes recommendations to the Capital Board. The CS&AMG also develops and agrees the disposals strategy and monitors performance. The Capital Board, chaired by the Chief Executive, continues to ensure that the programme is in accordance with corporate priorities before recommendations are made to Cabinet.

The Asset Management Plan is being substantially re-written for the period 2015 – 2025 and will be presented to June 2015 Cabinet. The amendments to the plan will include:

- Revisions to give the Asset Management Plan a high level strategic focus to enable flexibility over the plan period and to reinforce the current Vision and Strategic Aims that all the Council's assets are corporately held and managed strategically to:
 - Support efficient and effective service delivery;
 - Support the regeneration of the town and enable Southend to achieve its objectives;
 - Underpin the Council's capital programme and revenue budget.
- The inclusion of a property investment strategy with its own set of governance to enable investment opportunity decisions to be taken quickly against a pre-agreed set of investment performance criteria such as and including lot size, yield, property type, lease terms and covenant strength.

- A general review to streamline the document to cross reference other Corporate documents rather than reiterating sections of them.
- An update to the governance section and in particular to the delegated powers set out in the constitution to ensure property decisions can be taken appropriately and promptly and the processes are up to date and clear.
- An update on transparency and data publication, particularly the Pan-Essex Mapping Project (EPAM) hosted by Southend and available for all Essex Local Authorities, Essex Police, Fire and other services to provide a web-hosted, pan-Essex public sector property map.
- PSP Southend LLP update.
- An updated schedule of Asset Management fees and charges to optimise income generation, benchmarked against other local authorities.
- Reference to the Council's high priority major projects such as, and including Queensway, Airport Business Park, Care Home and LD re-provision.

8 Capital Programme

8.1 Capital Expenditure

Capital expenditure is defined as expenditure incurred on the acquisition or creation of assets needed to provide services, such as houses, schools, vehicles etc. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services. Capital grants, borrowing and capital receipts can only be spent on capital items and cannot be used to support the revenue budget. However, it should be noted that revenue funding can be used to support capital expenditure.

Under the Local Government Act 2003, each authority can determine how much it can borrow within prudential limits (unsupported borrowing). The Government does have powers to limit the aggregate for authorities for national economic reasons, or for an individual authority.

For the HRA, under the Localism Act 2011, there is an absolute cap on the amount of borrowing that can be undertaken for HRA purposes.

Unsupported borrowing is not specifically financed by either capital grant or no longer as a separate stream in the Government revenue grant. However, the Council has full discretion on how it allocates its formula grant funding. Therefore, any unsupported borrowing undertaken is financed from the total available resources to the Council from both Government Grant and Council Tax in the setting of its Council tax.

8.2 Spending plans 2015/16 to 2019/20 (and later years)

The Council's proposed capital programme for 2015/16 and future years is summarised below:

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 and later years £000	Total Budget £000
Approved Capital Programme (Nov 2015)	49,739	58,644	40,636	30,347	0	179,366
Reprofiles & Amendments	(10,757)	4,207	(2,049)	(9,990)	10,890	(7,699)
New External Funding	155	229	0	0	2,522	2,906
Proposed Additional Schemes	0	10,370	15,310	14,065	12,955	52,700
Current Proposed Programme	39,137	73,450	53,897	34,422	26,367	227,273

8.3 Funding of the Capital Programme

The proposed capital programme presented elsewhere on this agenda is currently fully funded and has been prepared based on the level of borrowing the Council can support, notified capital grants, prudent assumptions over the level of other grants and the timing and valuation of capital receipts (from the sale of existing surplus Council assets) that will be realised.

The financing of the capital programme will continue to be supported where possible by the generation of capital receipts from the sale of surplus Council assets. Since 2011, the Council's approach to property disposals has been geared to reflect members' requests to ensure that, wherever possible, assets are used to generate revenue, with freehold disposals being a last option. This recognises the Council's increasing revenue pressures whilst still delivering a modest programme of capital receipts. The impact of this approach is that a much lower level of capital receipts is delivered meaning a greater reliance on borrowing and external funding to fund the Capital Programme.

When the Council enters into Prudential Borrowing to fund Capital expenditure, there is a revenue impact and therefore an increase to the Council's budget requirement. As an indicative guide to the revenue consequence, there is a cost of approximately £80k for every £1m borrowed or if £8m is borrowed this would equate to an increase in Council Tax of around 1%.

The full impact of borrowing costs associated with the funding of the proposed programme has been included in the Council's current financial planning for 2016/17 to 2019/20. The 2016/17 revenue budget elsewhere on this agenda incorporates the required borrowing costs budget requirement for 2016/17.

In summary, it is the Chief Financial Officer's view that the 2016/17 to 2019/20 Capital Programme is Prudent, Affordable and Sustainable.

9 Treasury Management Policy and Prudential Indicators

9.1 Background

Treasury Management is an area of activity which covers the management of the council's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.

The budget includes provision for the financing costs of the Council's Capital Programme, including interest on external borrowings. Offsetting this, the Council will earn interest by temporarily investing its surplus cash, which includes unapplied and set-aside capital receipts. These budgets depend on many factors, not least the Council's level of revenue and capital budgets, use of reserves, methods of funding the budget requirement, interest rates, cash flow and the Council's view of risk.

The CIPFA Prudential Code for Capital Finance in Local Authorities has been developed to support Local Authorities in taking capital investment decisions and to ensure that these decisions are supported by a framework which ensures prudence, affordability and sustainability.

9.2 Borrowing

The Council must set an operational boundary and authorised limit for external debt. The operational boundary is how much external debt the Council plans to take up, and reflects the decision on the amount of debt needed for the Capital Programme for the relevant year. The authorised limit is higher than the operational boundary as it allows sufficient headroom to take account of unusual cash movements.

The agreed operational boundaries and authorised limits for the years 2016/17 to 2018/19 are shown in the table below:

	Estimate 2016/17 £m	Estimate 2017/18 £m	Estimate 2018/19 £m
Operational boundary	280	300	305
Authorised limit	290	310	315

The capital financing requirement represents the cumulative amount of borrowing that has been incurred to pay for the Council's capital assets, less amounts that have been set aside for the repayment of debt over the years (i.e. Minimum Revenue Provision and Reserved Capital Receipts).

The estimates for the capital financing requirement for the years 2016/17 to 2018/19 are:

	Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000
General Fund	211,712	231,438	235,647
Housing Revenue Account	98,740	98,740	98,740
Total	310,452	330,178	334,387

The Council is only allowed to borrow long term to support its capital programme. It is not allowed to borrow long term to support its revenue budget.

Approved sources of long term borrowing are banks or building societies or the Public Works Loan Board (PWLB), which is a statutory body whose function is to lend money to local authorities and other prescribed bodies.

New borrowing will be undertaken as and when required to finance capital. The amount and timing of these loans will have regard to the Council's cash flow, the PWLB interest rates and the future requirements of the capital programme.

Some of the Council's borrowings are at a higher interest rate than the current rate of borrowing. To redeem these loans before their maturity date (i.e. to redeem them early) the Council would be required to pay a premium (this is like paying to redeem a mortgage early except the amount of the penalty depends on the prevailing rate of interest). New loans could then be taken out at the current rate. The savings to be made by paying interest at a lower rate need to be offset by the premiums payable before a decision is made as to whether this would be economically advantageous.

Similarly, some of the Council's borrowings could be at a lower interest rate than the current rate of borrowing. To redeem these loans early the Council would receive a discount (this is the opposite of a premium). New loans could then be taken out at the current rate. The discount receivable would need to be offset by the higher rate of interest paid before a decision is made as to whether this would be economically advantageous.

The Council will undertake debt restructuring as and when appropriate opportunities arise. The main objective of a restructure will be to produce reductions in financing costs as part of the overall budget strategy.

9.3 Investments

The Council's investment objectives are:

- To secure the principal sums invested
- To maintain liquidity (i.e. adequate cash resources)
- To optimise the income generated by surplus cash in a way that is consistent with a prudent level of risk

It is projected that surplus cash balances will average £85m (of which £60m is illiquid and of that £35m is managed by fund managers) during 2016/17 based on information currently available and historical spending patterns.

Cash flow forecasts are produced in order to inform in-house investment decisions. The investment period and amount invested are determined by the daily cash flow requirements of the Council and the investment criteria and limits set out in the Annual Investment Strategy.

The type of investment and the counterparty in which to invest are determined in accordance with the investment criteria set out in the Annual Investment Strategy.

9.4 Financial Outlook on Interest Rates

The investment environment remains very difficult. Whilst counterparty risk appears to have eased, it remains at elevated levels and economic forecasts abound with uncertainty.

The outlook is one of continuing low interest rates and consequently low investment income earnings. Based on economic forecasts it is very difficult to predict the timing of any increase in interest rates, however it has been assumed that during 2016/17 the bank base rate will increase to possibly 0.75% to 1.0%. The average interest earned by the Council on its in-house lending is likely to be 0.86% but this does depend on market conditions.

Sensitivity analysis shows that a difference of 0.5% in interest rates would make a difference of £376k in external interest earned and a difference of £1m in average balances would make a difference of £9k in interest earned in a full year. This risk is reflected in the annual review of the robustness of estimates for the Council Budget undertaken by the Head of Finance and Resources.

10 Corporate Assurance and Risk Management

The Council identifies key risks that may prevent the Corporate Priorities from being achieved. A process is in place to identify how significant the risk is, and the potential impact that it may have should the risk occur. Those risks scoring highly in terms of significance and impact, are identified and form the Council's Corporate Assurance and Risk Register. Actions to reduce the identified risks and ensure assurance on the controls detailed within the register are subject to regular monitor through the Council's Audit Committee.

The following Corporate Risks have been reviewed by the senior leadership group and were also reviewed by Audit Committee on 20 January 2016:

- **Setting a Balanced Budget for 2016 - 19** - Risk that the scale of predicted funding reductions for 2016-19 budgets will result in significant adverse impact on council services
- **Recruiting and retaining staff** - Risk that failure to retain or recruit staff with the required skills and experience will result in an inability to deliver key projects or services to meet expectations of residents, members, businesses and partners..
- **Partnership arrangements** - Risk that changes in approach to partnership working by partner organisations reduces the Council's ability to influence key financial and policy decisions, adversely affecting the ability of the Council to achieve its objectives.
- **Housing Policy/Local Infrastructure** - Risk that changes to government policy in relation to housing development reduces the resources available to the council leading to a strain on local infrastructure.
- **Alternative service delivery models** - Risk that failure to effectively manage (staffing, relationships, contracts) the transition to alternative service delivery models results in the organisation not meeting its statutory responsibilities to residents/customers.
- **Health and Social Care Integration** - Risk that failure to integrate health and social care effectively (inc Pioneer, Better Care Fund and Care Act) will harm the ability of the health and care system to operate at optimal levels, adversely affecting service provision and council finances..
- **Contract price inflation** - Risk that construction related contract price inflation results in less resources to meet capital programme desired outcomes and further pressure on other council budgets.
- **Education and skills** - Risk that failure to narrow the gap in results at secondary schools will result in a lack of appropriate skills of Southend pupils and undesirable levels of young people not in education, employment or training (NEET).

- **Surface water flooding** - Risk that surface water flooding, due to overwhelmed drainage infrastructure, will result in damage to property and infrastructure as well as significant disruption.
- **Seafront cliff movement** - Risk that a seafront cliff movement will result in damage to property, transport dislocation and significant financial and reputational damage to the Council.
- **Ofsted joint inspection** - Risk that increased demand for child safeguarding services and on-going financial and partnership challenges results in a lower than anticipated Ofsted joint inspection rating.
- **Department for Transport Challenge Fund** - Risk that the failure to meet the requirements of the Department for Transport Challenge Fund will severely limit funding available to start or progress highway projects in the Borough.

These Corporate Risks are explored through the Service and Resource Planning framework.

11 Reserves Strategy

11.1 General Fund Reserve

In relation to the adequacy of reserves, the Council's Section 151 Officer (Head of Finance and Resources) recommends the following Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances.

- i) An absolute minimum level of General Fund reserves of £8 million that is maintained throughout the period between 2016/17 to 2019/20;
- ii) An optimal level of reserves of £10 million over the period 2016/17 to 2019/20 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
- iii) A maximum recommended level of reserves of £12 million for the period 2016/17 to 2019/20 to provide additional resilience to implement the Medium Term Financial Strategy;
- iv) A Reserves Strategy to remain within the recommended range for reserves over the relevant period of 2016/17 to 2019/20.

These recommendations were conditional upon not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions.

11.2 Housing Revenue Account

In relation to the Housing Revenue Account (HRA) in 2016/17 and the medium to long term:

- i) Given the current status of housing management provision the recommendation is that reserves be maintained at £3.0m.
- ii) A 2016/17 budget has been agreed with South Essex Homes Ltd. to maintain a balanced HRA, together with a MTFS
- iii) Forward projections for the HRA beyond 2016/17 are in the process of being remodelled based on a 30 year business plan.

11.3 Earmarked Reserves

A table of the earmarked reserves and their balances at 31 March 2015 to 31 March 2020 are shown in Annex 2. The balances at 31 March 2016 to 2020 are indicative, based on the assumptions in this report, and do not represent the probable figures that will be disclosed in future years Statement of Accounts.

12 Fees and Charges Strategy

Raising revenue from charges for services is an important element in the overall financing of the Council's services and activities. It can in other circumstances play a range of other roles, including demonstrating the value of a service or discouraging abuse of a service. It can also play a role in furthering service and strategic objectives. Consideration is therefore given on a regular basis to the scope for raising revenue through charges for services and to reviewing the appropriateness and adequacy of the levels of charges being proposed or actually in force.

In accordance with best practice, the Council:

- undertakes regular reviews of the approach to charging, both within service areas and across the whole council
- engage service users in decisions about whether and at what level to charge for services
- collect and use information on service usage and the take-up of concessions, and examine the impact of charges on individual households, to assess whether equality and diversity objectives have been achieved.

13 Funding of the Net Budget Requirement

13.1 Government Funding – Grant and Finance Settlement

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 2016/17 was issued by the Department for Communities and Local Government (DCLG) on 17 December 2015 and this represented the Government's next four year spending plans. The final Local Government Settlement is now due to be announced in the week commencing 8th February 2016. Therefore, this report is based upon data in the provisional finance settlement.

The latest Finance Settlement maintains the key changes in the way that Local Government is now financed, which were 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 Revenue Support Grant (RSG) allocation and confirmation of Business Rates top up grant.

However, a key change to this year's settlement is the Government's recognition of the demand and demographic expenditure pressures on Adult Social Care and the ability for Local Authorities to now implement an Adult Social Care precept of up to 2% to support the growing expenditure on Council budgets in this area.

The provisional settlement sets out the Government's intention to roll the Care Act grant (£1.116m in 2015/16) into the RSG, along with some minor flood related grants.

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

- The Settlement Funding Assessment (SFA) (a combination of actual RSG and estimated business rates income) for 2016/17 is £53.639m. This compares to an adjusted SFA of £61.803m in respect of 2015/16 (a reduction of £8.164m and equivalent to a 13% reduction);
- The RSG element for 2016/17 within the final SFA IS £21.338m. This compares to an adjusted RSG of £29.769m in respect of 2015/16 (a reduction of £8.431m and equivalent to a 28% reduction);
- The settlement provides indicative figures for a four year period (2016/17 to 2019/20), however this requires a sign off from the Council and the detail surrounding the offer is still under consultation;
- Some capital and specific grants are still provisional and yet to be announced in full;

- The settlement indicates that no Council Tax freeze grant is being offered by the Government this year;
- The 2016/17 referendum limit for Council Tax increases has been advised at a level of 2% and confirmation is required as part of the final settlement (2015/16 this was also set at 2%);
- For 2016/17, funding to support social care and benefit health is being continued through the Better Care Fund; a pooled budget between the Council and Southend Clinical Commissioning Group (CCG). The settlement has not indicated what the terms of the Better Care Fund are for 2016/17 but that these were to be announced in January/February. Once announced the Council will have a better understanding of the pooled budget from existing NHS and Council resources will be in comparison to 2015/16. The proposed budget assumes that the Council's share of the BCF will at least remain unchanged given the lack of an announcement from Government.
- The consultation on the provisional finance settlement ended on 15 January 2016 and this has informed the final settlement, which is due in the week commencing 8th February 2016;
- The small business non-domestic rates (NNDR) poundage (multiplier) has been set at 48.4p, having been uplifted 0.80% in accordance with the RPI inflation for September 2015. The associated non-domestic poundage has been set at 49.7p. 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;
- The Public Health service grant allocation for 2016/17 is not yet known and the Department of Health had recently indicated that this would be announced towards the end of January 2016. At the time of writing this report the Council is still awaiting the formal allocation from the Department of Health.

13.2 Dedicated Schools Grant (DSG)

The DSG is now mainly based on pupil numbers in the October before the beginning of each financial year, plus an estimate for the Early Years Block, plus an allocated High Needs Block, allowing an estimate of total grant to be made in order for local authorities to calculate individual school budgets in February.

The total DSG for 2016/17 is £140.1 million (2015/16 = £137.3 million). In practice the final DSG will exclude funding for Academies and is estimated to reduce by at least £61 million to £79.1 million for maintained schools and high needs.

In addition to funding from the DSG, schools will receive Pupil Premium grant, which will provide £1,320/£935 of funding per primary/secondary pupil (2015/16 = £1,320/£935 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 £8 million for schools in Southend-on-Sea (both Maintained and Academy schools). This is compared to £8 million of Pupil Premium in 2015/16

13.3 Council Tax

There is a 3.99% increase in Council Tax for 2016/17 (including 2% for adult social care). For planning purposes an increase of 3.99% has been assumed for 2017/18 onwards.

For 2015/16 Southend-on-Sea Borough Council had the fourth lowest Band D Council Tax (including Police, Fire and Leigh Parish) of all the unitary councils and the second lowest of the local authorities in Essex.

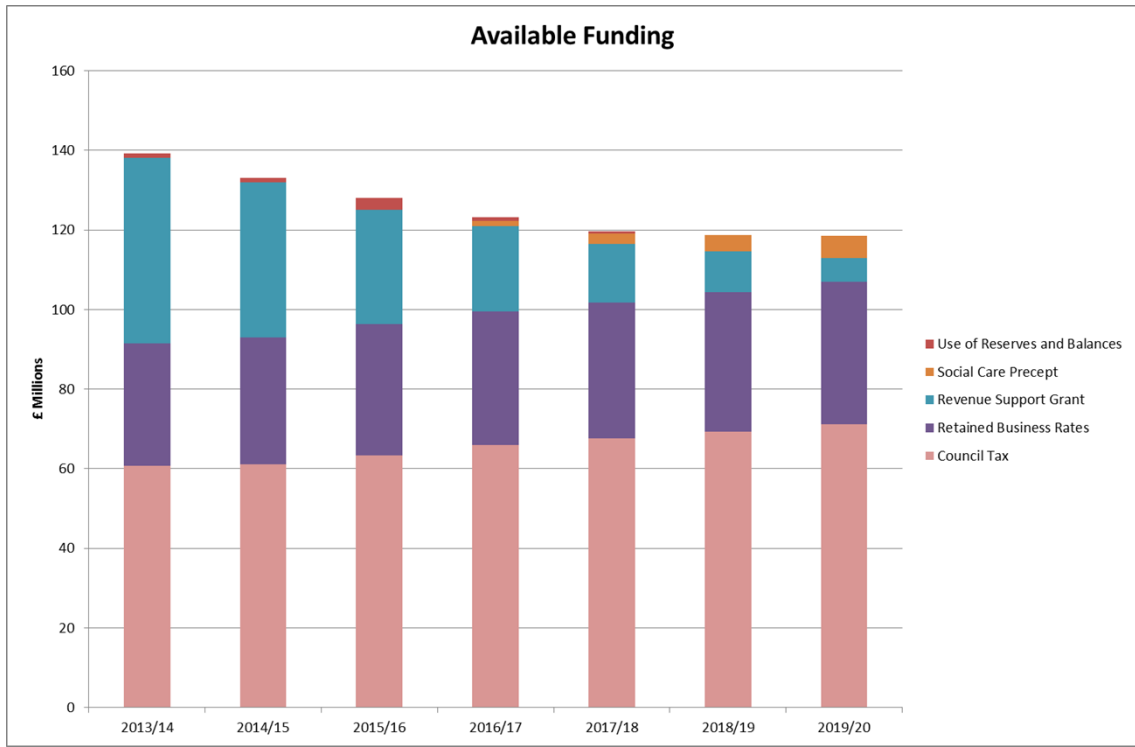
As an indicative guide, for Southend Borough Council every increase of 1% raises £646k of extra funding. This is less than most other unitary councils would raise by an increase of 1% as they are starting from a higher Council Tax level.

The Council Tax Base is the number of band D equivalent properties/dwellings, or, looked at another way, it is the amount of money the billing authority estimates it can raise for each £1 of council tax set at the band D level, after relevant discounts and exemptions. Changes in the number of households affect the tax base for Council Tax purposes, as does the number of Council Tax Support claimants, and hence the total amount which will be raised from this source. The Council Tax base for 2016/17 is 55,701.27 (equivalent Band D properties).

Southend is home to around 173,600 residents in 74,700 households (2011 population estimates from last census). The available land area and the current density of housing is such that there are fewer opportunities to increase the Tax Base that there are in more rural authorities.

13.4 Total Available Funding

Total available funding continues to decline over the timeframe of the MTFP, with the reduction in Revenue Support Grant overshadowing the modest increases in Business Rates and Council Tax.



14 Medium Term Financial Plan

The Medium Term Financial Plan covering the period 2016/16 to 2019/20 is shown in Annex 3.

14.1 Key Assumptions

The following assumptions have been made in producing the Medium Term Financial Plan for the Revenue Account:

Funding

Council Tax - the increase is assumed to be 1.99% each year from 2017/18. In addition it is assumed that the 2% increase to support Adult Social Care will also be implemented.

Revenue Support Grant – the final figure for 2016/17 has yet to be announced. The MTFS therefore uses the provisional settlement for 2016/17, and the provided indicative settlements for future years.

Business Rates – the figure for 2016/17 is a combination of the fixed top-up payment the Council receives from government and a local assessment of the net amount raised locally that the Council will retain. The local element is assumed to grow by 2.0% from 2017/18.

Support from Collection Fund – surpluses have been estimated for both 2016/17 and 2017/18, based on the level of accumulated surpluses. This is a prudent view based on Council Tax increases and forecasts of housing completions, increases in discounts and exempt properties, and taking into account the effect of the current economic climate on collection rates. No surplus has been assumed for 2018/19 onwards.

Inflation and Fees & Charges

Pay award – there is assumed to be an increase of 1.0% in 2016/17 through to 2019/20. This is based on the assumption that, given the current level of inflation and the upward influences on inflation in the future, there could potentially be pressure on pay inflation.

Inflation on goods and services – inflation is only being provided for major contractual commitments, utilities and business rates. Services are expected to absorb any other price inflation within existing resources.

Fees and charges – it is assumed that these will generally increase by 2% each year but this assumption may need to be reviewed depending on local economic circumstances.

Corporate Cost Pressures

Employers' pension contributions – the current triennial actuarial valuation covers the three years 2014/15 to 2016/17, and the financial impact built into

the MTFs. A new valuation, as at 31 March 2017, will be undertaken, that will be effective from 2016/17. It is not known at this stage what financial pressures this will bring. However in anticipation a further increase of £750k is assumed from 2017/18.

Apprenticeship Levy – the introduction of an Apprenticeship levy by the Government from 2017/18 is expected to add in the region of £250k to the Council's pay bill.

Interest – the capital programme, although partly funded by grants and HRA funds, implies an increase in borrowing as set out in the Treasury Management and Capital Strategies. The MTFs allows for the increased net costs of interest payments required to support this borrowing.

Costs of Transformation – with the on-going downward pressure on net spending, it is inevitable that there will be upfront costs associated with service redesign and the introduction of new service delivery models. The MTFs makes provision for this.

Department Savings / Pressures

Identified income / savings – it is assumed that these will be achieved in full in each of the years in which they have been identified. With the unpredictability of demands on services, and potential new legislation, services could experience increasing cost pressures and this is also reflected in the plan.

BCF Funding

There is assumed that NHS Funding to support social care and benefit health through the Better Care Fund will continue at existing levels.

Housing Revenue Account

From 2012/13 the HRA became self-financing, and is no longer subject to the HRA subsidy regime.

Under self-financing, the HRA funds its expenditure, including its capital expenditure, from its income streams (primarily tenant's rents). Some grant funding may be available to support capital expenditure within the HRA going forward, but there is no assumption of external funding built into forward projections.

Schools

No change in the DSG has been assumed as the Government are considering moving to a new national funding formula for schools and no further details are currently available.

14.2 Sensitivity analysis

The effect of changes to these assumptions on the budget gap for 2016/17 and on the Council Tax, are shown in the following table:

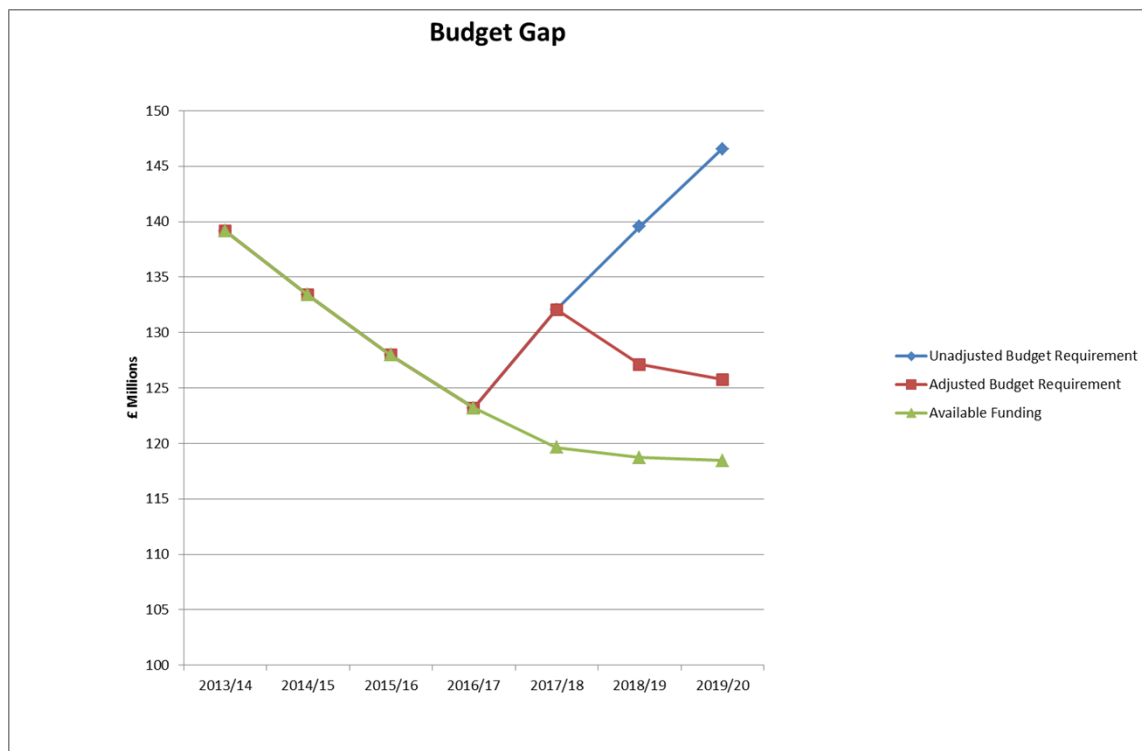
Assumption in MTFP for 2017/18	Change in assumption	Effect on the budget gap for 2017/18	Effect on Council Tax
Council Tax increase of 1.99%	No Council Tax increase	Increase of £1,344k	
Revenue Support Grant as per estimated settlement (31.2% reduction on 2016/17)	Formula Grant decreased by 35%	Increase of £811k	Increase of 1.2%
Retained Business Rates growth at 2.0%	Retained Business Rates growth at 1%	Increase of £241k	Increase of 0.4%
1% pay award	Pay award of 2%	Increase of £700k	Increase of 1.0%
Inflation for contractual goods and services at 3%	Inflation for contractual goods and services at 4%	Increase of £333k	Increase of 0.5%
Fees and charges increased by 2%	Fees and charges not increased	Increase of £400k	Increase of 0.6%
100% of identified on-going savings of £10.1M will be achieved in 2016/17	95% of identified on-going savings of £10.1M will be achieved in 2016/17	Increase of £505k	Increase of 0.7%

14.3 Financial Planning 2016/17 to 2019/20

The Medium Term Financial Plan as shown in Annex 3 takes account of all the factors highlighted throughout this strategy that lead to cost pressures and restrictions on income and funding. The resulting budget gap for 2016/17 has been closed by the proposed savings totalling £10.1 million as set out in Annex 1. The budget gaps remaining for the financial years 2017/18 to 2019/20 are set out below:

	2016/17	2017/18	2018/19	2019/20	Total
Remaining budget gap	£0m	£12.4m	£8.4m	£7.3m	£28.1m
Budget gap as a % of the 2016/17 net budget requirement	0%	10.1%	6.8%	5.9%	22.8%

The Medium Term Financial Plan assumes that each year's budget gap is closed, so that each year's budget requirement is contained within available funding.



14.4 2017/18 and Beyond

In addressing the national economic situation and following the Emergency Budget in July 2015 the Government has emphasised the need to look further at a four year programme of public sector spending restraint and reconfiguration. This was reinforced in the Chancellor's annual autumn speech/Spending review in December 2015 with further restriction placed on the Government's public spending plans up to 2020. 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 2017/18 and beyond will continue. This needs to be seen as part of an extended period of financial retrenchment similar at least to the previous four years that Local Government has already encountered and that councils will need to consider a much longer spending reduction programme than previously identified by Central Government.

This report predominantly addresses, as we are required to do, a detailed budget for 2016/17 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.

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.

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.

Since the beginning of the national fiscal situation the Council has striven to sustain its full range of services but it is increasingly likely that this approach will be unviable.

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.

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.

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.

The Council will also seek to explore innovative income generation opportunities that will assist with increasing the Council's revenue sources to assist with bridging the significant budget gap the Council has to deliver. In addition, there is the intention to look greater at commercial opportunities for services of the Council.

Given the financial challenge we have and are to continue to face for a number of years, a continued programme of corporate working 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.

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 arising from the Spending Review in late 2015, that further savings in the order of £28m will be required from the Council's circa £123m annual net budget for the three years 2017/18 to 2019/20.

It is clear that the budget savings presented for 2016/17 cannot be continually 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.

Earmarked Reserves

Appendix 16
Annex 2

Earmarked Reserve	Revised 2015/16			Forecast 2016/17			Forecast 2017/18			Forecast 2018/19			Forecast 2019/20			
	Balance 31/03/2015 £000	To Reserves £000	From Reserves £000	Balance 31/03/2016 £000	To Reserves £000	From Reserves £000	Balance 31/03/2017 £000	To Reserves £000	From Reserves £000	Balance 31/03/2018 £000	To Reserves £000	From Reserves £000	Balance 31/03/2019 £000	To Reserves £000	From Reserves £000	Balance 31/03/2020 £000
Capital Reserves																
Capital Reserve	7,298	809	(700)	7,407		(5,867)	1,540		(255)	1,285		(60)	1,225			1,225
Corporate Reserves																
Business Transformation Reserve	4,876		(1,945)	2,931		(475)	2,456		(50)	2,406			2,406			2,406
Business Rates Retention reserve	4,017			4,017			4,017			4,017			4,017			4,017
Interest Equalisation Reserve	2,133	500		2,633			2,633			2,633			2,633			2,633
L A G B I Reserve	44			44			44			44			44			44
New Homes Bonus Reserve	2,144	342		2,486	1,003		3,489	1,145		4,634	1,006		5,640	775		6,415
Pensions Reserve	0	3,973		3,973	4,782		8,755			8,755			8,755			8,755
Repairs And Renewals	275			275			275			275			275			275
Insurance																
Insurance Reserve	4,033			4,033			4,033			4,033			4,033			4,033
Service Reserves																
Agresso ERP Reserve	638		(90)	548		(15)	533			533			533			533
Area Child Protection	79			79			79			79			79			79
Art Reserve	36			36			36			36			36			36
Building Control Reserve	242			242			242			242			242			242
Cemetaries	75			75	15	(90)	0			0			0			0
Elections Reserve	175		(35)	140		(36)	104		(36)	68	107		175		(36)	139
Internal Audit	35			35	(15)		20			20			20			20
L P S A Reserve	549		(277)	272		(272)	0			0			0			0
Local Land Charges Reserve	49			49			49			49			49			49
Museum Exhibits	114			114			114			114			114			114
Queensway	274		(274)	0			0			0			0			0
Schools Improvement	855		(200)	655		(200)	455			455			455			455
Scrutiny Function	17			17			17			17			17			17
Social Fund	1,463		(106)	1,357		(350)	1,007		(350)	657	(210)	(350)	97		(97)	0
Social Care	5,159		(558)	4,601		(1,170)	3,431			3,431			3,431			3,431
Supporting People Reserve	1,342		(325)	1,017		(325)	692			692			692			692
Waste Management Reserve	5,238		(600)	4,638		(429)	4,209		(270)	3,939		(50)	3,889		(1)	3,888
Welfare Reform Reserve	990		(300)	690		(300)	390		(300)	90	210	(300)	0			0
Grants																
DSG	1,606			1,606			1,606			1,606			1,606			1,606
General Grants Carried Forward	2,224		(442)	1,782			1,782			1,782			1,782			1,782
Public Health Grant - Public Health	1,025		(678)	347		(130)	217			217			217			217
Public Health Grant - DAAT	323		(323)	0			0			0			0			0
Weekly Collection Support Scheme Reserve	721			721			721			721			721			721
Monies held in Trust																
Comp- 3 Children When Reach 18	3			3			3			3			3			3
Emily Briggs Trust	17			17			17			17			17			17
S. Thorpe Smith Bequest	33			33			33			33			33			33
Total General Fund Reserves	48,102	5,624	(6,853)	46,873	5,785	(9,659)	42,999	1,145	(1,261)	42,883	1,113	(760)	43,236	775	(134)	43,877
HRA Capital Investment Reserve	9,376	4,412	(94)	13,694	4,403	(2,176)	15,921			15,921			15,921			15,921
HRA Repairs Contract Pension Reserve	280	60		340	60		400			400			400			400
Total HRA Reserves	9,656	4,472	(94)	14,034	4,463	(2,176)	16,321	0	0	16,321	0	0	16,321	0	0	16,321
TOTAL EARMARKED RESERVES	57,758	10,096	(6,947)	60,907	10,248	(11,835)	59,320	1,145	(1,261)	59,204	1,113	(760)	59,557	775	(134)	60,198

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SOUTHEND-on-SEA BOROUGH COUNCIL

Medium Term Financial Forecast

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Base Budget				
From prior year	127,981	123,209	119,654	118,735
LESS				
Appropriations to/from Reserves in prior year	1	2,674	(384)	(1,353)
Revenue Contributions to Capital	(3,090)	(6,026)	(255)	(60)
Less other one-off expenditure/savings	2,815	3,557	(970)	(593)
Adjusted Base Budget	127,707	123,414	118,045	116,729
Appropriations to/from reserves	(2,674)	384	1,353	2,272
Revenue Contributions to Capital (funded from Earmarked Reserves)	6,026	255	60	0
Other one-off/time limited expenditure bids	(3,557)	970	593	98
Inflation and other increases	1,757	2,240	2,240	2,240
Corporate Cost Pressures	1,845	3,133	2,905	2,052
Directorate Savings/Pressures				
On-going Corporate and Directorate cost pressures allowance	1,355	1,400	1,400	1,750
Savings identified as per Budget Council	(10,086)	0	0	0
Better Care Fund				
NHS funding to Support Social Care and benefit Health	(5,518)	(5,861)	(8,601)	(11,098)
Expenditure relating to the NHS funding	5,518	5,861	8,601	11,098
Housing Revenue Account				
Projected Expenditure	25,864	25,864	25,864	25,864
Projected Income	(28,151)	(28,151)	(28,151)	(28,151)
Contributions to/(from) HRA Earmarked Reserves	2,287	2,287	2,287	2,287
Schools				
Dedicated Schools Grant received from Government	(57,351)	(57,351)	(57,351)	(57,351)
Dedicated Schools Grant distributed to schools	57,351	57,351	57,351	57,351
Pupil Premium received from Government (indicative)	(8,000)	(8,000)	(8,000)	(8,000)
Pupil Premium distributed to schools	8,000	8,000	8,000	8,000
Projected General Fund Net Expenditure	122,373	131,796	126,596	125,141
Changes in General Grants	836	258	539	631
Budget Requirement	123,209	132,054	127,135	125,772
Funded by:				
Council tax increase (1.99% in 16/17 onwards) (taxbase +0.5% p.a.)	(65,875)	(67,547)	(69,289)	(71,103)
Social Care Precept (2.00% in 16/17 onwards)	(1,291)	(2,644)	(4,069)	(5,564)
Business Rates Retained	(33,628)	(34,282)	(35,059)	(35,880)
Revenue Support Grant	(21,415)	(14,681)	(10,318)	(5,925)
Reserves and Balances	(1,000)	(500)	0	0
Total funding	(123,209)	(119,654)	(118,735)	(118,472)
Funding Gap	0	12,400	8,400	7,300

Core Precept	65,875	67,547	69,289	71,103
Social Care Precept	1,291	2,644	4,069	5,564
Band D Council Tax				
Council Tax for a Band D Property	1,205.82	1,253.88	1,303.92	1,355.94
% Increase in Council Tax	3.99%	3.99%	3.99%	3.99%
Council Tax Base				
Council Tax Base	55,701	55,980	56,260	56,541
Increase in Taxbase on prior year	2.03%	0.50%	0.50%	0.50%

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Southend-on-Sea Borough Council's Corporate Priorities

The Corporate Priorities support the aims and vision of the Council along with the objectives of Southend partnerships to improve the quality of life, prosperity and life chances for people in the borough.

Council's vision: 'Creating a better Southend'	
Council's 5 Aims:	Council's 15 Corporate Priorities:
Safe	<p>To:</p> <ul style="list-style-type: none"> • Create a safe environment across the town for residents, workers and visitors. • Work in partnership with Essex Police and other agencies to tackle crime. • Look after and safeguard our children and vulnerable adults.
Clean	<p>To:</p> <ul style="list-style-type: none"> • Continue to promote the use of green technology and initiatives to benefit the local economy and environment. • Encourage and enforce high standards of environmental stewardship.
Healthy	<p>To:</p> <ul style="list-style-type: none"> • Actively promote healthy and active lifestyles for all. • Work with the public and private rented sectors to provide good quality housing. • Improve the life chances of our residents, especially our vulnerable children and adults, by working to reduce inequalities and social deprivation across our communities.
Prosperous	<p>To:</p> <ul style="list-style-type: none"> • Maximise opportunities to enable the planning and development of quality, affordable housing. • Ensure residents have access to high quality education to enable them to be lifelong learners and have fulfilling employment. • Ensure the town is 'open for businesses' and that new, developing and existing enterprise is nurtured and supported. • Ensure continued regeneration of the town through a culture led agenda.
Excellent	<p>To:</p> <ul style="list-style-type: none"> • Work with and listen to our communities and partners to achieve better outcomes for all. • Enable communities to be self-sufficient and foster pride in the town. • Promote and lead an entrepreneurial, creative and innovative approach to the development of our town.

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Appendix 18: Summary of Equality Analyses supporting budget proposals 2016/17

Outlined below is a summary of Equality Analyses which support specific budget proposals for 2016/17 and which have a direct equalities impact either for staff and/or service users. The summary outlines mitigating action to meet the risks of proposals and has been endorsed by the Council's Corporate Management Team. Findings highlight where a full equality analysis will also be undertaken to accompany consideration, and implementation, of the proposals.

Department/ savings no.	Proposal (figures relate to 2016/17 savings proposals – unless stated)	Analysis findings
Corporate Services		
CS1 CS2 CS3 CS4 CS22	Cremation Fees - £47,000 Crematorium - £12,000 Cemetery Burial Fees – £6,000 Cemeteries & Crematorium Organist - £17,000 Cemeteries & Crematoria - £23,000 <u>Total: £105,000</u>	<p>A review of fees and charges, and the service offered to customers, will see some increases for the recently bereaved - a larger proportion of whom tend to be elderly. However, there are a number of options provided for the cost of a funeral which helps to meet a range of income needs. The fees and charges still remain some of the most competitive in Essex and surrounding areas.</p>
CS10	Outlook - £50,000	<p>This will impact on the Council's ability to communicate directly to residents, although alternative mechanisms are being looked to ensure the Council has a means to advertise and promote vital services and information to people who are not 'online' or do not have access to the internet. While there is a move for the Council 'to go digital', there is also an understanding that this is not currently possible for the whole community. The Council will, therefore, need to reconsider how it targets hard to reach groups and explore more targeted but relevant communications to different groups and stakeholders.</p>

Department/ savings no.	Proposal (figures relate to 2016/17 savings proposals – unless stated)	Analysis findings
3P(pressure)	Housing Benefit/Localised Council Tax Scheme Administration Grant - £90,000	The additional resources will mitigate the loss of central government support for this grant helping to support the administration of key benefits to some of the most vulnerable in the community.
People		
PE1	Review of Learning Disabilities (LD) Services - £1,000,000	A full Equality Analysis will be undertaken to assess the differential and cumulative impact of the measure on clients. The new model of service provision is designed to provide more independence, control and choice about the type of support accepted by clients, working in partnership with the Council. This inevitably will mean changes to how services are commissioned and delivered and lead to decommissioning of some services. Eligibility for service/s will be framed by requirements and objectives of the Care Act.
PE2	Review of social services for older people or working age adults - £2,000,000	As with PE1, the measure is part of the transforming adult social care and health agenda to provide greater independence, control and choice to clients. A full Equality Analysis is required to undertake an assessment of the potential impact of the measure on clients.
PE3 PE4	Drug & Alcohol Specialist Treatment - £61,000 Adult Drug and Alcohol Specialist Treatment - £33,000	Client group can sometimes be difficult to engage with. These measures are aimed to improve efficiency of service, meaning clients are moved through the system

152

Department/ savings no.	Proposal (figures relate to 2016/17 savings proposals – unless stated)	Analysis findings
		faster and, therefore, are more likely to be retained in the system. There will, however, be a reduction in some aspects of service delivery which will be felt by the client group.
PE7	Housing Restructure - £50,000	The restructure will remove some duplication in the current process. It will also provide more generic housing solutions that enable those in need to better present their circumstances, capturing their needs and providing a more inclusive approach.
PE10	Children's Centres - £100,000	Savings to be derived from a management restructure which are designed to make the management of the service more sustainable. There are no direct equality implications.
PE13	Education Psychology Savings - £25,000	The statutory service is protected and savings, from a re-configuration of workloads, are designed so they do not adversely impact on the service provided.
PE17	Short Break Grants (Aiming High) - £50,000	Measure will not lead to a reduction in service for disabled children, although all support packages are subject to review and may be adjusted accordingly.
PE18	Placement Budgets - £250,000	The Council has successfully been able to place children in local foster placements, which generally provide better outcomes, than higher cost external placements, resulting in budget savings.
PE21	Targeted Youth Service - £96,000	Limited impact on young, vulnerable client group, with existing services continuing and funded by staff restructure and funding from other funding sources. Measure and funding position will be reviewed regularly.

153

Department/ savings no.	Proposal (figures relate to 2016/17 savings proposals – unless stated)	Analysis findings
PE22	Teenage Pregnancy - £67,000	Increasingly staff are expected to provide advice on the broad range of matters on sexual health for young people. The situation will continue to be monitored carefully to assess any impact, which is anticipated to be limited.
PE24	Youth Offending Service - £89,000	Redesign of service with accompanying staffing restructure, will require a Full Equality Analysis to be undertaken to assess potential impact on clients and staff.
PE30	Re-tendering of Contracts - £142,000	Savings will not result in diminution of service provided to residents and relative target groups, with services being re-commissioned through merging and re-configuration of contracts. Services are being re-commissioned through the merger and re-configuration of contracts to generate efficiencies and, where possible, enhance service provision
PE31	Healthwatch - £33,000	Savings will not result in diminution of service provided to residents and relative target groups, with services being re-commissioned through merging and re-configuration of contracts. Services are being re-commissioned through the merger and re-configuration of contracts to generate efficiencies and, where possible, enhance service provision
PE32	Early Help Redesign - £266,000	Loss of managerial posts will have minimum impact on clients. Equality Analysis is being undertaken.
PE36	Investment in equipment to reduce double handed care packages - £50,000	The measure seeks to make better use of equipment in providing support to those in receipt of care packages. Some clients may feel a loss from having less support staff providing direct care. However, the approach should not lead to a reduced service and should

Department/ savings no.	Proposal (figures relate to 2016/17 savings proposals – unless stated)	Analysis findings
		generate efficiencies that release resources to enable focus on those in greatest need.
Pressures		
5P	Learning Disabilities - £ 400,000	Additional funding goes some way to meet the growing demographic pressures and mitigating savings proposals.
6P	Older People Demographics - £500,000	
Place		
155 PL1	Grounds Maintenance - £294,000	Bringing service back in house, with organisational efficiencies and staff restructure will have neutral impact on equalities groups and will enable more consistency of service across the borough. Equality Analysis to be undertaken
PL2	Sport and Leisure - £300,000	Full Equality Analysis has been undertaken on the Leisure Management Service contract. Along with the efficiencies to be made, it highlights the requirement on the successful service provider to work with local communities, engage with disadvantaged groups, work with colleges and universities to promote the use of apprentices and support healthy lifestyles and the green agenda.
PL4	Procurement Savings - £650,000	Savings to be achieved from the re-tendering of services will have no direct impact on equality groups
PL6	LED Street lighting - £440,000	Programme to roll out LED programme, with improved illumination levels, is enhancing community safety across the borough, with particular impact in relation to women and the vulnerable, while generating savings from energy use and maintenance and reducing CO2

Department/ savings no.	Proposal (figures relate to 2016/17 savings proposals – unless stated)	Analysis findings
		emissions.
PL7	Parking Income - £200,000	Parking charges to be increased during summer season, reflecting additional associated costs such as additional rubbish/litter produced, with impact focussed on visitors.
PL8	Waste Collection Contract - £925,000	<p>A full, in depth, Equality Analysis has been undertaken for the Waste collection, street sweeping and recycling contract. Savings are generated as a result of the new contract, which has a strong element of social value, including developing community partnerships, supporting local apprenticeships and working with residents to provide an enhanced service.</p> <p>The new contract sees an additional service in relation to paper and cardboard collection, with support mechanisms in place for those who require assistance (on storage issues, for example) and greater vehicle efficiency, reducing traffic and CO2 emissions. Targeted work at harder to reach groups will continue to be undertaken to help increase recycling rates.</p>
PL10	Southend Marine Activity Centre - £40,000	Following previous decisions to close the facility, pending alternative providers being obtained, these savings relate to physical costs of running the SMAC building and do not in themselves have equality implications.
PL11	Museum - £30,000	Change of opening hours will focus access on peak demand times, impacting on all client groups equally.
Public Health		
PH1	Stop Smoking - £61,000	Aim of measure is to move increasingly towards 'making every contact count', with a range of staff providing

156

Department/ savings no.	Proposal (figures relate to 2016/17 savings proposals – unless stated)	Analysis findings
		health related advice, with an emphasis on reducing levels of smoking, given the impact on health and continuing prevalence among young people, ethnic minorities and pregnant women. Work will continue to be targeted on more deprived wards and broadening the strategy to prevent take up and access to tobacco (eg Public Health staff working closely with Environmental Health and Trading Standards).
PH2	Drug and Alcohol Grant - £140,000	Savings to be derived from contract renegotiation and specification review which commissions services to a vulnerable client group, with multiple needs, including, for example, those with mental health issues. An Equality Analysis will be undertaken as part of the review process.
PH3	Prevention of unintended injuries - £35,000	Will not involve loss to specific projects, with area of work being pursued through a range of means, including antenatal education and through health visitors
PH5	Southchurch C2 Project - £38,000	Aim is to move the project towards becoming a self-sustaining partnership so that saving will have limited impact.
PH6	Community Gym Project - £22,000	Loss of project to be mitigated through referring users to suitable health and wellbeing and physical activity programmes.
PH7	Schools Theatre in Education Programme - £20,000	Loss of this project will be mitigated through the introduction of 'Risk Avert', a new risk awareness programme for schools, which is being currently being rolled out.

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