

Report To:	Policy & Strategy Committee	Date: 13 th November 2012
Report By:	Chief Financial Officer	Report No: FIN/100/12/AP/LA
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2013/16 Revenue Budget - Update	

1.0 PURPOSE

- 1.1 The purpose of this report is to provide Committee with an update of the latest position of the 2013/16 Revenue Budget and to seek decisions in respect of a number of matters.

2.0 SUMMARY

- 2.1 Following the approval of the 2013/16 Budget Strategy in August officers have been working on the 2013/16 Revenue Budget factoring in the following adjustments:
- Any Committee decisions which impact on the overall budget.
 - Full year effect of previously approved savings including workstream savings.
 - Revenue implications of the Capital Programme.
 - Annual review of Loans Charges.
 - Review of other provisions factored into the Financial Strategy.
- 2.2 In September the Scottish Government wrote to all Councils to confirm that the overall Local Government settlement for 2013/14 was largely unchanged from the figures previously announced. Detailed figures will be given to each Council in December. As has been the case for the previous 2 years, there are various conditions attached by the Government to the ultimate settlement which Inverclyde Council will receive and a copy of the letter outlining the conditions from the Cabinet Secretary Finance, Employment & Sustainable Growth is attached as Appendix 1. It should be noted that if the Council intends to abide by the conditions then there is no need to write to the Scottish Government.
- 2.3 Appendix 2 outlines a number of unavoidable pressures which have been the subject of reports to the relevant Service Committee. Officers have attempted to quantify the budgetary pressure over the next 3 financial years and it can be seen from Appendix 2 that the total unavoidable pressures reported to the relevant Services Committees total £3.06 million. In addition it is proposed by the CMT that 2 further sums should be factored in namely in respect of increased employee costs resulting from a reduction in employee turnover and an allowance in 2015/16 for currently unforeseen budget pressures.
- 2.4 For the past number of years, the Council has factored in a recurring contingency sum of £420,000 into its Revenue Budget. This has been set aside to meet unexpected costs which may arise during the year and in the past has been used to meet increased winter maintenance costs and to finance items such as the Olympic Torch Relay and the Royal opening of the Customer Service Centre. Following review, it is recommended that this sum be removed from the recurring revenue budget and be replaced with a £600,000 earmarked reserve on the basis of £200,000 per year for the next 3 financial years. Committee approval of this proposal is required.

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- 2.5 The Corporate Management Team have collated proposals to save 1% of Directorate budgets largely arising from Efficiency or Operational Savings which will not impact on front line service delivery. Members have previously received detailed information in respect of these proposed savings which are summarised in Appendix 3. In addition the savings have been discussed with the Trades Unions via the Joint Budget Group.
 - 2.6 The revised base budget gap from 2013/16 on the basis that the matters outlined above are approved by Committee, will be reduced from £15.9 million which was estimated in August to £8.042 million over the period 2013/16. It can be seen in Appendix 4 that the 2013/14 Budget is already balanced with a one off surplus of £3.263 million whilst 2014/15 has a remaining funding gap of £2.182 million.
 - 2.7 A report will be presented to a meeting of the full Council on the 20th December 2012 which will provide an update in respect of the overall Financial Strategy and a revised base budget factoring in all the above issues plus the latest information from the Scottish Government. This will include information in respect of the projected reserves, initial 2013/16 Capital position and any further issues which have been clarified in the interim including revised targets for existing savings workstreams where appropriate.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the contents of the report and the proposed revised base budget position.
- 3.2 It is recommended that the Committee note the letter received from the Cabinet Secretary and the conditions attached to receiving the full Government grant settlement for 2013/14.
- 3.3 It is recommended that the Committee approve the unavoidable pressures outlined in Appendix 2.
- 3.4 It is recommended that the Committee approve the proposal to replace the recurring contingency of £420,000 with a one off earmarked reserve of £600,000 for the period 2013/16.
- 3.5 It is recommended that the Committee approve the 1% efficiency/operational savings advanced by the Corporate Management Team for the period 2013/15 and contained in Appendix 3.
- 3.6 It is recommended that the Committee note that a further update in respect of the 2013/16 budget will be presented to the full Council on the 20th December 2012

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Policy & Resources Committee approved the 2013/16 Budget Strategy at a meeting in August 2012. At that point in time it was estimated that the 3 year funding gap was approximately £15.9 million based on a number of assumptions around pay awards, inflation and an allowance for unavoidable budget pressures.
- 4.2 Since that meeting officers have worked on refining the budget position including factoring in any relevant Committee decisions, the full year effect of previously approved savings including workstream savings, the revenue impact of the Capital Programme and the annual review of the Loans Charges. In addition officers reviewed other provisions included in the Financial Strategy related to pay inflation and the inflation contingency.

5.0 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 5.1 In September the Scottish Government outlined the draft budget for 2013/14 and confirmed that at a national level the overall settlement for Local Government would be very much in line with that announced and approved in February 2012. This confirmed that the £23 million worth of support to part fund the reduction in Council Tax benefit arising from the UK Government Welfare Reform budget cuts would be for one year only and a report earlier in the agenda has outlined the potential financial impact for the Council.
- 5.2 In addition the Scottish Government have confirmed that the financial settlement which each Council will receive will be dependent on Councils individually complying with certain conditions and these are outlined more fully in the letter from the Cabinet Secretary and is attached as Appendix 1. The core conditions are –
 - The Council freezes Council Tax over 2012/15.
 - The Council maintains teacher numbers in line with pupil numbers.
 - The Council secures a place to all probationary teachers who require one.
- 5.3 Unlike previous years, the Council Leader is not required to write to Mr Swinney to confirm agreement of these conditions but rather has to write if the Council intends not to comply.

6.0 UNAVOIDABLE BUDGET PRESSURES

- 6.1 Reports have been presented to the CHCP Sub Committee and this Committee outlining a number of budget pressures which are viewed as unavoidable over the 2013/16 period. Included in this is the cost of the Living Wage which has cross party support. The impact of these pressures is summarised in Appendix 2 and it can be seen that over the 3 year period the recurring budget pressure totals £3.06 million.
- 6.2 In addition the Corporate Management Team would strongly recommend that at this point in time the Members approve 2 further unavoidable pressures as follows –
 - a) An extra £400,000 in 2014/15 to meet the increased costs of incremental drift arising from the reduction in turnover of employees. In previous years there has been sufficient turnover of employees to meet the cost of increments awarded to those employees who are due them. However it is apparent that turnover has slowed down due to the current state of the jobs market and as such there is less turnover and more employees receiving increments. There is therefore a double hit on the Council's employee budgets both in increased costs and turnover reduced savings. It is estimated by Officers that for 2014/15, up to £400,000 will be required

to meet the cost of increments over and above the expected turnover savings.

- b) The Council's approach in agreeing to set a 3 year budget covering the period 2013/16 gives Members and Officers an appropriate amount of time to implement budget savings and manage any employee impacts and service delivery issues. However in considering the 2015/16 Budget Pressures, it is clear that there may be further items which Officers are unable to identify at this point in time arising from either demographic change, legislative change or inflation. It is therefore recommended by Officers that a sum of £600,000 from the pressures allowance in the Financial Strategy be built into 2015/16 to meet any costs arising from these matters. This sum will be reviewed on a regular basis with the aim of minimising the amount as more clarity is received.

7.0 CONTINGENCY REVIEW

- 7.1 For the last number of years, the Council has incorporated a 0.2% recurring revenue contingency within its budget to meet unforeseen costs. In previous years this has met costs in relation to extra costs of Winter Maintenance or in 2012/13 to meet the costs of both the Olympic Torch Relay and the Royal visit to open the Customer Service Centre in Greenock.
- 7.2 Having considered this matter, the Corporate Management Team would recommend that this contingency no longer be built into the recurring Revenue Budget but rather an Earmarked Reserve of £600,000 funded from the General Fund Reserves be set up to meet these costs to run over the period 2013/16. This will generate a revenue saving on the recurring budget of £420,000.

8.0 1% EFFICIENCY/OPERATIONAL SAVINGS

- 8.1 The Corporate Management Team previously undertook to identify 1% savings totalling approximately £1.65 million covering the period 2013/15.
- 8.2 The Committee are advised that given the number of year on year budget reductions, top slices and general containment of pressures experienced by Services it is becoming increasingly difficult for Services to identify cost savings without impacting on front line services or performance levels. However the Corporate Management Team believe the savings summarised in Appendix 3 can be delivered with minimal impact on service delivery and employee numbers.
- 8.3 Further detail in respect of these savings has been issued to all Members at the specific budget briefing which was due to take place on the 8th November 2012.
- 8.4 The Corporate Management Team have discussed these proposals with the Trades Unions via the Joint Budget Group and there has been a recognition that the impact on employee reductions has been restricted to either deleting vacant posts or releasing individuals who have expressed an interest in being released. The Trades Unions however have raised concerns that as well as considering the impact on any individuals whose posts are put forward as savings, consideration also has to be given to those employees who are left to ensure that there is not an unsustainable workload put on the remaining employees.
- 8.5 It is important therefore based on both the Corporate Management Team and the Trades Unions' assessment that Members recognise that it will not be possible to close the remaining budget gap without there being a reduction in the volume or quality of the delivery of some Council services.

9.0 REVISED BASE BUDGET POSITION

9.1 Appendix 4 gives a revised base budget position for 2013/16 on the basis that the Committee approve all of the above issues and from this it can be seen that the position is as follows –

By 31.3.14 £3.263 million surplus
By 31.3.15 £2.182 million budget shortfall
By 31.3.16 £8.042 million budget shortfall

10.0 NEXT STEPS

- 10.1 It has previously been agreed that there will be a special meeting of the Inverclyde Council on the 20th December 2012 to consider the latest position of the 2013/16 Budget and the revised Financial Strategy.
- 10.2 The revision of the base budget will factor in all the above issues outlined in this report and incorporate the latest information from the Scottish Government hopefully including Inverclyde Council's detailed budget settlement, projected General Fund reserves position, the initial 2013/16 Capital Budget position and any further issues which are clarified in the interim including any amended savings targets for existing savings workstreams.

11.0 SUMMARY

- 11.1 Significant work has been undertaken in recent months by the Corporate Management Team, Finance Service and budget holders to reduce the funding gap for the period 2013/16 from £15.9 million to £8.042 million.
- 11.2 Whilst there will be further adjustments to the budgets based on information from the Scottish Government and other matters which come to light, the remaining budget gap will largely require to be closed by Members identifying and agreeing service delivery savings or increased charging. Engagement with political groupings on this matter will take place over coming months with a final decision on the 2013/16 Revenue Budget being taken on the 14th February 2013.

12.0 CONSULTATIONS

- 12.1 The Corporate Management Team has engaged with the Trades Unions via the Joint Budget Group over recent months. The Trades Unions acknowledge that the proposals contained in this report are the first stage in setting the 2013/16 Budget and that much more work and engagement is required over coming months in respect of the policy lead savings.
- 12.2 The Trades Unions support the proposals in respect of the Living Wage and Pensions Auto enrolment.

13.0 EQUALITIES

- 13.1 The Corporate Director, Education Communities and Organisational Development will co-ordinate an equalities impact assessment of the proposals contained in this report and this will also be included in the report to the full Council on the 20th December 2012.

14.0 REPOPULATION

- 14.1 The Committee will be aware that the level of Government Grant Settlement received is influenced by the level of population and as such it is critical that Inverclyde stabilises its population to maintain its budget share to enable it to fund the services to its citizens.
- 14.2 By setting robust and transparent budgets it will help the Council demonstrate to its citizens that they should have confidence in the long term sustainability of Inverclyde and in its long term Financial Strategy. This will have a positive impact in encouraging people to remain within Inverclyde and attract new residents into the area.

Cabinet Secretary for Finance, Employment and Sustainable Growth
John Swinney MSP

T: 0845 774 1741
E: scottish.ministers@scotland.gsi.gov.uk



Councillor David O'Neill
COSLA President
COSLA
Verity House
19 Haymarket Yards
EH12 5BY

Appendix 1

Copy to: The Leaders of all Scottish local authorities

20 September 2012

Dear Councillor O'Neill

This letter confirms the terms of the settlement to be provided to local government for 2013-14 as part of the 2011 Spending Review and confirms a number of changes to the settlement that we have agreed since then as part of our continuing partnership negotiations. Against the background of the lightest financial constraints for a generation, the settlement package represents a fair settlement in the circumstances and is focussed on delivery of our joint priorities of growing the economy together with protecting front-line services and the most vulnerable in our society. COSLA is invited to agree the terms of the settlement set out below on behalf of local authorities.

Following the local government elections, we have reaffirmed our commitment to our partnership and are clear about the benefits which have flowed from it in the form of more effective delivery of the outcomes that matter to the people of Scotland. I am therefore delighted to confirm that this settlement remains firmly anchored in the ongoing relationship between the Scottish Government and local government and our commitment to working together on our joint priorities.

The detail of the settlement remains as set out in my letter of 21 September 2011 to Councillor Keenan and the changes we have agreed since then are described below.

Under the settlement, all local authorities will continue to work in partnership with Scottish Government in pursuit of our joint priorities, including delivery of the Government's programme as set out in the First Minister's statement to Parliament on 4 September and the *Government Economic Strategy*. As part of this, local authorities, together with their community planning partners, continue to be encouraged to increase their focus on prevention in making decisions about the use of resources.

Investment is a shared priority across the public sector and maximising capital expenditure is critical to economic recovery. I welcome your support in writing jointly with the First Minister to Council Leaders encouraging them to do all that they can to continue to invest, including accelerating investment where possible and to explore to what extent the ability of local government to borrow can sensibly be used to maximise capital expenditure, whilst recognising that decisions to borrow are a matter for individual local authorities.

In addition to the pursuit of our joint priorities, individual local authorities will, in return for this settlement, deliver certain specific commitments.

Maintain a council tax freeze in each of the three years of the Spending Review.

Maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme.

Delivery of these commitments will be monitored and in the event of a failure to deliver, appropriate adjustments made to distributable resources as described below.

In line with the agreement reached in the Spending Review, it will not be possible for local authorities to select elements of the package, including elements of the funding on offer. As in previous years, the Scottish Government will hold back £70m representing the amount that is included in the settlement to deliver the Council Tax Freeze and £39m for the Teacher commitments in 2013-14 from the Local Government Finance Order put to Parliament in early February. Parliamentary approval to pay out the remaining amount will be sought in March 2013 once all councils have set their budgets and their council tax rates for the year ahead.

Failure to deliver sufficient FTE teachers as reported in the annual census may invoke collective and/or individual sanctions in the shape of corresponding reductions in the local government settlement for future years. Scottish Government and COSLA will agree these numbers in the context of on-going discussions on the effective delivery of school education.

In a departure from the two stage sign-off arrangements agreed for previous settlements, I can confirm that for 2013-14 I will only require those Council Leaders who do not intend to take up the offer and agree the full package of measures to write to me setting out the reasons why they do not wish to comply. Any Leader not intending to take up the offer should write to me confirming their Council's decision by no later than 11 March, but preferably by the end of February, (and ideally as soon as possible after they have set their budgets and announced their council tax rates for 2013-14). Any Council not taking up the offer will not receive their share of the monies held back to be distributed later in March 2013.

The total funding as set out in the 2013-14 Draft Budget document, including provision for the council tax freeze, the support for teacher employment, which the Scottish Government will provide to local government is as follows:

Year	£m
2013-14	9,911.2
2014-15	10,131.7

This total includes the Government's estimate of non domestic rate income over the period but does not include a number of other agreed, or still to be finally agreed, sums that will be included in the final local government finance settlements for both 2013-14 and 2014-15 over and above the figures set out in the Local Government Finance Circular 3/2012. These include Early Years (£1.5m/£1.5m); Early Years Task Force (£3m/£3m); and the Blue Badge Scheme (£0.72m/£0.72m); and the Social Fund (tbc).

In addition a further £3m for 2013-14 has been added for Free Personal and Nursing Care and I can confirm that £4.5m will be added at a later date to the budget for 2014-15. In return for this COSLA has agreed to the uprating of these fees in line with inflation.

Within this total, revenue funding will amount to £9,389.1m/£9,368.3m, including the funding to deliver a council tax freeze, and capital £522.1m/£763.4m over the period. This takes into account the re-profiling of -£100m/+£120m/+£100m in capital budgets and comes with a commitment that £100m will be added to Local Government's capital share in the next Spending Review for 2015-16.

The changes included in the total funding package that have been made to our spending plans since publication of Scottish Spending Review 2011 and Draft Budget 2012-13 in respect of local government revenue funding are as follows: a net reduction of £954.7m following the transfer of responsibility for policing from local government to the new Scottish Police Authority (SPA); a net reduction of £274.8m following the transfer of responsibility for the fire service from local government to the new Scottish Fire and Rescue Service. The net sums reflect £4m added for ongoing police and fire costs to local government post reform. Other changes include an increase of £23m as a result of the DWP transfer of the Council Tax Reduction Scheme and an £8m reclassification of the Hostels Grant and Housing Support Grant former AME grants to DEL.

The establishment of the new Scottish Police Authority and Scottish Fire and Rescue Services will also result in a reduction of Capital funding of £14.8m and £15.1m respectively. The Capital funding will however be increased by £34.7m and £47.6m respectively as a result of consequentials resulting from the UK Government.

In partnership with COSLA, a review of the community planning and SOAs framework has been undertaken. Implementing the conclusions from the review will build on progress to date and ensure community planning and SOAs drive forward the focus on outcomes, integration and strong collaboration and preventative approach that is at the heart of ensuring a successful local response to the Christie Commission report

This settlement package for 2013-14 remains the best outcome that can be achieved in the continuing challenging financial circumstances. The package is focussed on delivery of our joint priorities of growing the Scottish economy and protecting front line services and the most vulnerable in our society, including through a greater focus on prevention. It also provides a robust platform for building on the successes achieved to date under our partnership to continue to deliver better outcomes to the people of Scotland.

JOHN SWINNEY

2013/16 Budget
Unavoidable Pressures - Summary
Year on Year Movements

<u>Area</u>	<u>2013/14</u> £000	<u>2014/15</u> £000	<u>2015/16</u> £000	<u>Note</u> <u>Number</u>
Learning Disabilities	450	350	200	1
Living Wage	250	-	-	2
Auto-enrolment	470	20	20	3
Welfare Reforms	800	300	200	4
Incremental Drift	-	400	-	5
Unknown Pressures Contingency	-	-	600	6
TOTAL	1970	1070	1020	

Total Requirement 2013/16 = £4.06 million

Other Pressures

Adoption -

Proposal is to set up an earmarked reserve and allocate a one off sum of £300,000 from the General Fund Reserve to meet an increase in adoptions to be progressed in 2013/15. Thereafter by ring fencing the Adoption and Residential Placements budgets as part of the Earmarked Reserves it is anticipated that this pressure will be able to be contained.

Reduced Property Fee Income -

The significant reduction in capital resources available will impact on the level of fee income generated by Property Services. The Head of Property Assets & Facilities Management has developed proposals to contain this loss of income by reducing staffing levels over 2014/16. Discussions between the Trade Unions/HR are commencing. It should be noted that a further downsizing is likely to be required in 2016/17 based on the projected size of the capital programme.

Notes

- 1/ Subject of a report to the CHCP Sub-Committee (18/10/12)
- 2/ Subject of a report to the Policy & Resources Committee (13/11/12)
- 3/ Subject of a report to the Policy & Resources Committee (13/11/12). It should be noted that there is a further significant cost expected when Auto-enrolment for existing employees becomes mandatory in 2017.
- 4/ Subject to a report to the Policy & Resources Committee (13/11/12). Likely to have various (unquantifiable at this point) financial implications in future years once detail is received from DWP on the scale of the changes and associated impacts.
- 5/ Turnover has reduced significantly meaning a twofold pressure on employee budgets. Firstly reductions in turnover achieved and secondly increased "incremental drift". Estimated that uncontrollable incremental drift in 2014/15 will be £400,000.
- 6/ Allowance for unknown but inevitable unavoidable pressures by year 3 of the budget.

AP/CM
18/10/2012

2013/2016 Budget - 1% SavingsDirectorate: Education, Communities & Organisational Development

1% Saving Target: £856,000 (2013/2015)

Planned Over Recovery / (Shortfall)

(£65,300)

Saving Ref	Saving Proposal	Planned Savings			FTE Impact			Comments/Action
		2013/14 £	2014/15 £	2015/16 £	2013/14 FTE	2014/15 FTE	2015/16 FTE	
E&C01	ASN Preventative Spend	64,570	169,260	225,630	(6.5)	(6.5)	(6.5)	Approved at Education & Communities Committee 30/10/12
E&C02	Reduction in Vacant Posts - Libraries & Psychologists	24,000	34,000	34,000	0.5	1	1	0.5 fte Psychologists and 0.5 fte Library (includes 0.5fte add Inverkip)
E&C03	1% reduction applied to various budget lines	129,940	205,940	205,940	0	0	0	General Topslice mostly supplies & services, other expenditure in Inclusive ED.
E&C04	2012/13 Teachers & Techs Saving Full Year Effect	115,000	115,000	115,000	0	0	0	Staff already left Jun and Aug 2012
E&C05	Determined to Succeed	10,000	50,000	50,000	0	1	1	PT Post and non employee budget (£10,000)
E&C06	QIO Post Replaced by 0.5 fte Middle / Senior Manager	25,000	40,000	40,000	0.5	0.5	0.5	Removal of QIO post
E&C07	Cancel Serendipity ICT Contract	17,500	17,500	17,500	0	0	0	Cancel ICT security contract as alternatives now in place.
E&C08	1% Reduction Inverclyde Leisure	17,000	34,000	51,000	0	0	0	Officers in discussions with Inverclyde Leisure
E&C09	50% Reduction in Unitary Charge Contingency	100,000	100,000	100,000	0	0	0	Reduces contingency to £100,000
E&C10	Extra income - New Pitches/Community Lets	25,000	25,000	25,000	0	0	0	Based on 2011/12 Out-turn and 2012/13 Year to Date
	Education & Communities	528,010	790,700	864,070	(5.5)	(4.0)	(4.0)	

2013/2016 Budget - 1% Savings

Directorate: Environmental, Regeneration & Resources

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1% Saving Target: £310,000 (2013/2015)

Planned Over Recovery / (Shortfall)

£105,069

Saving Ref	Saving Proposal	Planned Savings			FTE Impact			Comments/Action
		2013/14 £	2014/15 £	2015/16 £	2013/14 FTE	2014/15 FTE	2015/16 FTE	
ERR 1	Environmental & Commercial Service- Vehicle checks O/T	0	16,500	16,500				Net of LETS workstream saving of £16k
	Environmental & Commercial Service - Supervisors O/T	0	7,100	7,100				HOS to look at extending across the Service
		0	23,600	23,600				
ERR 2	Top Slice Various overheads - Directorate Wide	108,640	108,640	108,640				
ERR 3	Refuse Collection - Manual Employee costs	20,000	20,000	20,000				Saving offered from under spend due to better use of resources and less reliance on seasonal staff
	Ground Maint - Employee Cost	40,000	40,000	40,000				Saving offered from under spend due to better use of resources and less reliance on seasonal staff
		60,000	60,000	60,000				
ERR 4	Planning Employee costs - Access Officer	29,423	29,423	29,423	1	1	1	Post is vacant
	Economic Employee Costs - Getting Ready for Work Tutor	21,641	21,641	21,641	1	1	1	Post is vacant
		51,064	51,064	51,064	2	2	2	
ERR 5	Service Manager Reduction - Property Services	0	66,000	66,000	0	1	1	Restructure due to reduced fee income and reduced capital programme - VST 31.3.14
	Grade E Secretary post 002436 - Property Services	25,000	25,000	25,000	1	1	1	Employee currently in post requested retirement 31.3.13
		25,000	91,000	91,000	1	2	2	
ERR 6	Finance - Delete FMS Systems Admin Post - vacant hours	10,400	10,400	10,400	0.44	0.44	0.44	Delete vacant hours
	Finance - Delete Accountancy Technician Post x 0.5	12,200	12,200	12,200	0.50	0.50	0.50	Vacant post
	Finance - Delete Creditor Supervisor Post - vacant hours	1,900	1,900	1,900	0.25	0.25	0.25	Delete vacant hours - balance of saving to meet workstream saving
		24,500	24,500	24,500	1.19	1.19	1.19	
ERR 7	Various ICT Hardware/Software Maintenance Savings	30,265	41,265	56,265	0	0	0	Covers a number of savings which can be achieved at no impact.
	Environmental, Regeneration & Resources Total	299,469	400,069	415,069	4	5	5	

2013/2016 Budget - 1% SavingsDirectorate: Social Care

1% Saving Target: £482,000 (2013/2015)

Planned Over Recovery / (Shortfall)

£
3,000

Saving Ref	Saving Proposal	Planned Savings			FTE Impact			Comments/Action
		2013/14 £000	2014/15 £000	2015/16 £000	2013/14 FTE	2014/15 FTE	2015/16 FTE	
CHCP 1	Staffing Restructures							
	Contracts Team Grade K (Planning, Health Improvement & Commissioning)	50,000	50,000	50,000	1.00	1.00	1.00	The Commissioning Team currently consist of a Service Manager, 4 Team Leaders and 3 Resource Workers. The reduction of 1 Team Leader is considered containable within current and projected workloads. The longer term option is to review the existing structure and redistribute staff across care group sections but this requires further analysis. (Assumed top of scale + 27% oncost)
	Staffing restructure (Homelessness)	41,000	41,000	41,000	1.00	1.00	1.00	The Homelessness Team to be reviewed to restructure the Assessment & Support Team – to replace the team leaders post with a Senior Caseworker post – regrading an existing caseworker
	Staffing restructure (Addictions)	25,000	25,000	25,000	1.00	1.00	1.00	The Nursing Team leader is retiring in December 2012 and a review of the Social Worker Team Leader post to take over the management of health staff maybe an option to be explored. This will require a regrading of a Band 6 nurse to a Lead Nurse role. Discussion with the Director of Nursing to be arranged. The saving will result from a recharge of a council post to health.
	Children's Services Restructure	0	100,000	100,000		2.00	2.00	The deletion of one of these 2 posts will result in current tasks being allocated to front line managers. (Assumed top of scale + 27% oncost). Co-ordinator and Troughcare Service posts
	SUB TOTAL CHCP 1	116,000	216,000	216,000	3.00	5.00	5.00	
CHCP 2	Overheads Top Slice Saving							
	Top slice overheads	30,000	55,000	55,000				Top slice and review of numerous overhead and administration budget lines.
	SUB TOTAL CHCP 2	30,000	55,000	55,000	0.00	0.00	0.00	
CHCP 3	Health & Community Care: Older People's Services	20,000	20,000	20,000				Home Care is the largest budget for older peoples services this is already subject to a workstream saving. The indicative targets for older people's services will be reviewed over the next few weeks.
CHCP 4	Health & Community Care: Learning Disability Resource Centres - reduced hours	44,000	44,000	44,000				Agreement has been reached with Trade Unions that any new vacancies will be filled on a 32.5 rather current 37 hour contract, (new staff will not work between 3pm to 5pm). Specific reduction in hours for team leader post saves a further £20k.

CHCP 5	Health & Community Care: Physical & Sensory - Centre for Independent Living - redesign of service provision	0	50,000	50,000						<p>The Centre for Independent Living has an employee budget of approximately £900,000 with 57 staff employed across the CHCP. It is expected that the development of reablement and the co-location of community health staff within the centre will impact on the level of the core activity.</p> <p>The Service Manager and managers for the centre have been tasked to review all existing service delivery within the centre to identify efficiency savings over the next 12 months.</p>
CHCP 6	Health & Community Care: Review of High Cost Packages	50,000	50,000	50,000						Reviews of all existing high cost support packages delivered by the independent sector providers have commenced. An initial target of £37,000 has been achieved this year.
CHCP 7	Children & Families									
	Residential Childcare	50,000	50,000	50,000						Realignment between residential/ adoption/ fostering inclusive of saving of £50k based on current projection. Creation of EMR will allow for periods of increased cost.
	Social Care Total	310,000	485,000	485,000		3	5	5		

Note: Figures to be populated on a cumulative basis

		£k	£k
Note 1	Social Work Operational Savings	310	485

Note 2 In addition to the savings above a recurring funding proposal for £120k Wardens alternative saving is required by 2014/15. This will be funded in 2013/14 from the Independent Living EMR

Note 3 Financial Inclusion has been reduced by £50k in 2013/14 to reflect the non recurring additional funding included in 2012/13

Revised Base Budget
2013/14 - 2015/16

	2013/14	2014/15	2015/16
	£'000	£'000	£'000
Cummulative Budget Gap - June 2012	1,313	8,567	15,891
<u>Adjustments:</u>			
Remove Landfill Allowance Trading Scheme	(927)	(927)	(927)
Residential Care Pressure not Required.	(300)	(300)	(300)
Loan Charge Review	(950)	(1,000)	(900)
General Contingency Removed	(420)	(420)	(420)
Pressure Contingency not Required	(730)	(1,660)	(2,640)
1% Savings	(1,138)	(1,676)	(1,764)
Increased 2010/14 Workstream Savings	(65)	(245)	(761)
Other Adjustments	(46)	(157)	(137)
Revised Base Budget 2013/2016	(3,263)	2,182	8,042