
Report To:	Policy & Resources Committee	Date:	30 September 2014
Report By:	Acting Corporate Director Environment, Regeneration & Resources	Report No:	2014/P&R/AP/11
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Subject:	2015/18 Budget Strategy		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval for the proposed Budget Strategy covering the period 2015/18.

2.0 SUMMARY

- 2.1 Following a review of the latest information and the last three years non-pay inflation utilisation, it is estimated that the 2015/18 funding gap is £15.3million. This includes an unallocated allowance of £2.4million for Budget Pressures and represents approximately 9% of the net Revenue Budget for Directorates. It is important that Committee note that this funding gap includes a number of high level assumptions around inflation and funding levels which could change significantly in these unprecedented times.
- 2.2 It is proposed that due to the medium term uncertainty around a number of areas such as the services Councils will be expected to deliver, the national funding model and key national policies, the Council sets a firm 2015/17 budget in February 2015. In addition it is proposed that, as part of the February 2015 budget, Members provide direction as to which areas Officers should focus on in respect of the 2017/18 budget gap.
- 2.3 It is proposed that Budget Pressures and Savings proposals be presented to the Policy & Resources Committee at the November meeting to allow an extensive consultation process to commence.
- 2.4 Appendix 3 contains the Corporate Management Team savings proposals coming to £950,000 for 2015/16 which address the largest outstanding issue in respect of the 2015/16 budget. The proposals have been discussed in detail with the Trades Unions via the Joint Budget Group
- 2.5 A separate report on the agenda outlines the proposed Budget Consultation Strategy whilst Appendix 4 highlights the key dates for members and officers.
- 2.6 In recognition of the amount of work that will be required to develop savings options, the Corporate Management Team propose that an earmarked reserve of £150,000 is set aside which will allow Directorates to procure extra capacity and resources to either develop savings proposals or carry out the required consultation.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee

- a) Approve the 2015/18 Budget Strategy outlined in Section 5;
- b) Approves the £950,000 Directorate Savings for 2015/16 detailed in Appendix 3;
- c) Approves the creation of a £150,000 Budget Development Earmarked Reserve as detailed in paragraph 8.1.

Alan Puckrin

Acting Corporate Director Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 At its meeting in February 2014, the Council agreed to set a three year Revenue & Capital budget for the period 2015/18 in February 2015.
- 4.2 It should be noted that 2015/16 is the last year of the current three year budget and therefore effectively the Council would be seeking to make the majority of decisions in relation to the financial period 2016/18.
- 4.3 The Corporate Management Team have discussed the budget strategy for the period 2015/18 on a number of occasions and have developed proposals and recommendations which have thereafter been discussed with the ECMT and Joint Budget Group.

5.0 PROPOSALS

- 5.1 **Budget Period** – In February 2014 the Council agreed to develop a 2015/18 budget to be considered in February 2015. The rationale for setting a three year budget is that it allows time to manage the delivery of savings and is a more effective use of member and officer time. However, it is acknowledged that the high level of uncertainty over what a 2017/18 budget could look like in terms of level of grant, services to be delivered, how Councils are funded and potential changes to some national policies requires this approach to be reviewed.

Having considered the matter, the Corporate Management Team would recommend to Committee that in February 2015, the Council set a firm 2015/17 revenue budget (fully balanced, savings proposals detailed etc) and make other decisions on potential savings to balance the 2017/18 revenue budget. These decisions would be based on the latest estimated 2017/18 funding gap and seek approval to develop specific savings proposals for 2017/18 and beyond subject to further reports to Committee.

It is recommended that due to the higher level of certainty around the overall Capital Budget, officers continue to prepare a 2015/18 Capital Programme for approval in February 2015.

- 5.2 **Budget Pressures** – Whilst the Financial Strategy includes specific corporate budget pressures such as the changes to the National Insurance Contribution regime and the impact of auto-enrolment, there are no extra costs factored in to the 2015/18 budget gap in relation to a number of Directorate budget pressures.

The Corporate Management Team agreed that budget pressures which meet certain criteria should be reported to the Corporate Management Team in the standard report format no later than the end of August 2014. The Corporate Management Team agreed that in order to minimise workload and avoid raising expectations, service development proposals would not be considered. Rather, budget pressures should relate specifically to ongoing demographic and statutory demand changes plus pressures arising from changes in contracts, legislation or the ongoing maintenance of the Council's infrastructure.

As has been the case in prior budget rounds, the Corporate Management Team have set a de-minimus level of £50,000 per year. Pressures below this level will require to be contained by the Directorate.

Budget Pressures for 2015/18 will be tabled at the November Committee but an initial estimate of the quantum and phasing of the pressures initially considered by the CMT is shown in Appendix 1.

- 5.3 **Savings** – It is estimated that the revenue funding gap over the period 2015/18 is £15.3million. This allows for the better than expected 2015/16 Grant, a reduction in the non-pay inflation allowance and a £2.4million allowance for Budget Pressures. Appendix 1 summarises the latest estimates and it can be seen that the savings are phased £7.0million 2016/17 and £8.3million 2017/18. £15.3million represents approximately 9% of the net

budget for Directorates. This clearly indicates that unless matters change significantly post 2016/17, the Council faces continued funding pressures which will require significant cumulative savings to be delivered in the medium term.

The Corporate Management Team believe that the Corporate Workstream Programme which has delivered over £25million of savings over the period 2008/16 has run its course and therefore agreed that for 2015/18, savings are developed by Directorates.

The timescale agreed by the Corporate Management Team is that Directorate savings proposals require to be developed by the end of September 2014 and thereafter specific sessions where Directorates present their savings proposals to the Corporate Management Team have been arranged in early October. After this, any final adjustments to the savings proposals will be made prior to formal engagement with the Members.

- 5.4 **Savings Targets** – based on the current estimates and projections, the Corporate Management Team have been developing savings options for the period 2015/17 totalling £10million. It is estimated that savings proposals of this level will give Members approximately 30% flexibility and the Committee is asked to note that the majority savings ultimately submitted to Members will need to be approved. As such the practical deliverability and financial achievability of the savings will need to be rigorously tested during the savings development process.

The Corporate Management Team agreed that Directorate saving targets be based on net budget plus an adjustment for income raising flexibility. The targets per Directorate for 2016/17 and the notional allocation over specific services within Directorates are shown in Appendix 2.

Savings will be categorised over:

- a) Delivery Models
- b) Service Redesign
- c) Eligibility Criteria
- d) Charging / Income
- e) Efficiency (Procurement/Reducing Bureaucracy/Modernisation/Asset Management)
- f) Stopping doing things/Reducing what we do

- 5.5 **Savings Detail** – the scale of the savings options to be developed is an unprecedented challenge and the CMT propose that for the November Policy & Resources Committee savings proposals totalling £10million be developed and at the November meeting the list forms part of the 2015/17 budget consultation. Based on the figures in Appendix 1, £7.0million of the £10.0million savings will require to be approved in February 2015.

It is also proposed that savings be developed at a high level to cover the post 2016/17 period. These savings would require further reports over 2015/16 and the first part of 2016/17 to allow Members to confirm the detail and form the main options for 2017/18. This approach also provides flexibility to adjust the 2017/18 proposals once clarity is received on grant settlements, potential national policy shifts, etc.

- 5.6 **National Context** – in the period following the recent Referendum it is inevitable that there will be some review of the affordability of some national policies and national funding models. An early indication of areas being reviewed would be helpful. In the absence of this, it is important that both the Budget Strategy and proposals developed remain flexible in terms of scale and timing.

6.0 2015/16 DIRECTORATE SAVINGS

- 6.1 When the three year budget was agreed in February 2013 there were two savings areas totalling £1.55million which required further detail and approval from Committee prior to implementation. £800,000 related to Workstream Savings, progress on which is reported via the regular Revenue Budget updates and £750,000 in relation to Directorate savings.

- 6.2 As previously reported the Corporate Management Team agreed to add the £200,000 Modernisation Workstream target to the £750,000 Directorate target to give a total of £950,000. This was allocated as follows:
- £320,000 – Environment, Regeneration & Resources
 - £320,000 – CHCP
 - £310,000 – Education, Communities & OD
- 6.3 Directorates developed proposals within the parameters of minimising any impact on front line service delivery and minimising impact on employees, an additional requirement being that the saving was not to duplicate any of the remaining Corporate Workstreams proposals.
- 6.4 Appendix 3 summarises the proposals recommended by the CMT. Detailed savings sheets have been prepared and are available as background papers should Members wish to review these.
- 6.5 On the basis that the proposals in Appendix 3 are approved then this concludes the 2015/16 savings with the exception of the Charging Workstream which will be subject of a report to the next Policy & Resources Committee. By concluding the 2015/16 Budget it will allow Officers and Members to concentrate on the significant challenge of developing and considering savings proposals for 2016/18.

7.0 BUDGET CONSULTATION

- 7.1 Given the scale of the savings which will have to be implemented, consultation will be critical throughout the process. Consultation proposals have been developed and this is the subject of a report elsewhere on this agenda.
- 7.2 Appendix 4 gives a high level timetable for members/officers engagement.

8.0 IMPLICATIONS

Finance

- 8.1 The Corporate Management Team propose that an earmarked reserve of £150,000 is set up to assist Directorates with any capacity issues during the development of budget proposals and the subsequent consultation. It is proposed to fund this as follows –
- a) £79,000 from an existing Workstream Delivery earmarked reserve;
 - b) £71,000 from the Revenue Contingency.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Earmarked Reserves	Budget Development	2014/16	150		£79,000 from existing EMR and £71,000 from Contingency Fund.

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
General	General	By 2016/17	(6,600)		Net estimated savings 2016/17
General	General	2015/16	(950)		Savings per Appendix 3

Legal

- 8.2 There are no direct legal implications arising from this report, however, care will need to be taken when developing savings proposals to ensure that the Council continues to deliver its statutory requirements.

Human Resources

- 8.3 There will undoubtedly be significant HR implications arising from the savings proposals which will require engagement with employees and Trade Unions.

Engagement will take place where required in implementing the £950,000 Directorate Savings.

Equalities

- 8.4 Whilst there are no specific equalities issues arising from the proposals in Appendix 3, there will undoubtedly be the need for equality impact assessments across many of the savings currently being generated and it is important that engagement takes place with the Equalities Officer when savings proposals are being generated.

Repopulation

- 8.5 The Council already faces significant challenges in terms of its repopulation and specifically the projected speed of its depopulation. The impact of reducing Council budgets will require potential impacts on future population levels to be highlighted to Members as part of the development of savings.

9.0 CONSULTATION

- 9.1 The proposals in this report have been approved by the Corporate Management Team and the Extended Corporate Management Team. Engagement will continue with the Trades Unions over coming months as Budget proposals are developed.
- 9.2 The 2015/16 Directorate Savings proposals have been shared with the Trades Unions via the Joint Budget Group who have not raised any significant concerns.

10.0 LIST OF BACKGROUND PAPERS

- 10.1 Detailed Backing Sheets for 2015/16 Savings Proposals.

2015/18 Estimated Budget Gap

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
1. Cash Reduction estimate per OBR/IS	-	1.6	3.1	4.7
2. Continuing Grant Loss due to Depopulation	-	1.0	1.0	2.0
3. Inflation – Pay 2% per year	2.1	2.1	2.1	6.3
- Non-Pay (Allowance)	1.3	1.3	1.3	3.9
- Unused Non-Pay budget from 2014/15	(1.0)	-	-	(1.0)
4. Pressures				
— Auto enrolment (70% take up from Oct 17)	-	-	0.4	0.4
— Pensions (end of contracting out)	-	2.0	-	2.0
— RAMP (continue £6million per year investment)	0.3	0.3	0.3	0.9
— Capital Programme Shortfall	-	0.1	0.1	0.2
— Allowance for future pressures	1.6	0.5	-	2.1
— Approved Pressures Allowance 2015/16	1.1	-	-	1.1
5. Increased Grant settlement 2015/16	(1.9)	-	-	(1.9)
6. Agreed Savings to be applied to 2015/16 Budget	(5.4)	-	-	(5.4)
	(1.9)	8.9	8.3	15.3

Notes

- Auto-enrolment – Assumes total recurring cost of £1.5million by 2018/19 which requires a further £0.6m in 2018/19.
- £278,000 of the 2015/16 Pressures contingency remains unallocated giving a total of £2.4million for new pressures.
- £1.1million of the 2015/16 surplus has previously been agreed to be allocated to 8 new MUGA facilities in Primary Schools.
- The 2017/18 figures are based on latest estimates and confirm the continuing need for significant budget reductions.

Proposed Budget Savings - 2016/17

Appendix 2

Proposed Savings Share - 2015/16 Net Budget at February 2013		Net Expenditure Budget (Adj for External Income)	Detailed Savings Target 2016/17
		2015/16	£10m
<i>Environmental, Regeneration & Resources Directorate</i>		32,961,200	1,944,000
Regeneration & Planning		4,947,730	292,000
Environmental & Commercial Services		15,594,040	919,000
Legal & Property Services		5,508,290	325,000
ICT		2,062,330	122,000
Finance		4,848,810	286,000
<i>Education, Communities & Organisational Development Directorate</i>		88,249,900	5,203,000
Education		66,636,980	3,929,000
Inclusive Education, Culture & Corporate Policy		11,133,660	656,000
Safer & Inclusive Communities		8,750,360	516,000
Organisational Development, HR & Communications		1,728,900	102,000
<i>Community Health & Care Partnership Directorate</i>		48,399,100	2,853,000
Children & Families/ Criminal Justice		10,102,210	596,000
Community Care & Health		30,572,700	1,802,000
Planning, Health Improvement & Commissioning		4,067,790	240,000
Mental Health & Addictions		3,656,400	215,000
Total		169,610,200	10,000,000

Note:

Figures exclude Corporate Director Budgets 2015/16 budget set at February 2013.

Excludes new funding initiatives: Children and Young Peoples Bill.

Scottish Welfare Fund

Teachers Induction Scheme

Increased Discretionary Housing Payments

Figures are gross of external income and recharges to health boards and other local authorities

2015/2016 Budget - Corporate Workstream Saving

Appendix 3

Directorate: Education, Communities & ODHR

Saving Target (2015/16):

**Planned Over Recovery / (Shortfall)
£310,000 £0**

Saving Ref	Saving Proposal	Planned Savings 2015/16 £	FTE Impact 2015/16 FTE	Service Reduction			Comments/Action - Including Service Impact
				Current	Proposed	% reduction	
ECOD ES14/01	Reduce Hospital Tuition Budget	10,000	0.0	40,000	30,000	(25.00%)	Proposed to reduce hospital tuition budget. Budget has been under utilised in recent years therefore propose to remove underspend. In the event of an increase in the number of children and/or young people requiring hospital tuition support would need to be identified from elsewhere in the budget.
ECOD ES14/02	Reduce Determined to Succeed	30,000	0.0	45,270	15,270	(66.27%)	Reduce existing Determined to Succeed budget. This means a reduction in central funding to support schools with a key aspect of Curriculum for Excellence, schools should be able to be fund associated support through their own budgets.
ECOD ES14/03	Reduce School CPD Budgets	42,000	0.0	141,520	99,520	(29.68%)	Reduce school CPD budgets. This saving could impact on the school's ability to support teachers with professional learning as part of Professional Update requirements from August 2014.
ECOD ES14/04	Reduce Supported Study Budget	20,000	0.0	48,250	28,250	(41.45%)	Reduce overall supported study budget for secondary schools, remaining funding will continue to provide support to targeted pupils and Easter schools.
ECOD ES14/05	Remove Subscriptions Budget	3,000	0.0	3,000	0	(100.00%)	Current magazine subscription now cancelled.
ECOD ES14/06	Reduce Civil Contingencies Budget	10,000	0.0	68,970	58,970	(14.50%)	Due to a restructure within Renfrewshire Council, there was an underspend in the Civil Contingencies budget in 2013/14. This is anticipated to be recurring.
ECOD ES14/07	Reduction Clyde Muirshiel Support	40,000	0.0	252,400	212,400	(15.85%)	Awaiting confirmation from Renfrewshire Council, however, anticipating Council contribution will reduce.
ECOD ES14/08	Reduce Regeneration Fund	34,000	0.0	73,230	39,230	(46.43%)	Budget saving anticipated due to working with community groups on co-production. This will involve the community groups taking on the management of new community centres.

2015/2016 Budget - Corporate Workstream Saving

Directorate: Education, Communities & ODHR

Saving Target (2015/16): **Planned Over Recovery / (Shortfall)**
£310,000 **£0**

Saving Ref	Saving Proposal	Planned Savings 2015/16 £	FTE Impact 2015/16 FTE	Service Reduction			Comments/Action - Including Service Impact
				Current	Proposed	% reduction	
ECOD ES14/09	Reduce overtime, Travel & Subsistence Supplies budgets.	28,000	0.0	55,750	27,750	(50.22%)	Proposal to reduce various budget lines - overtime, travel & subsistence and kennelling of dogs. Proposed increase in Landlord Registration income.
ECOD ES14/10	Vacant Corporate Communications Leader Post	17,790	0.4	182,220	164,430	(9.76%)	Propose to remove vacant hours for Corporate Communications Team Leader post.
ECOD ES14/11	HR Adviser Post	43,260	1.0	1,354,370	1,311,110	(3.19%)	Propose to remove vacant HR Adviser post.
ECOD ES14/12	SQH Programme (Reduction)	2,000	0.0	10,000	8,000	(20.00%)	Reduction in number of teachers taking part from previous years. Remaining budget will fully support the number of teachers currently signed up for the programme.
ECOD ES14/13	Co-Op Learning	10,000	0.0	20,000	10,000	(50.00%)	Reduce to one Co-operative Learning Academy per session
ECOD ES14/14	ASDAN Qualifications	2,000	0.0	2,000	0	(100.00%)	Schools will fund from their own DMR budget rather than being funded by Education HQ
ECOD ES14/15	Parental Involvement (Reduction)	2,000	0.0	9,000	7,000	(22.22%)	Reduction in budget to Secondary Schools (this budget is in addition to the Parent Council budget of £11k)
ECOD ES14/16	Early Years Framework	9,000	0.0	48,140	39,140	(18.70%)	Reduction in Early Years Development budget
ECOD ES14/17	Opportunities For All (Reduction)	2,500	0.0	30,000	27,500	(8.33%)	Reduction in budget for Opps for All
ECOD ES14/18	Psychologists Resources	2,450	0.0	9,550	7,100	(25.65%)	Reduction in Psychologists Resources budget

2015/2016 Budget - Corporate Workstream Saving

Directorate: Education, Communities & ODHR

Saving Target (2015/16):

Planned Over Recovery / (Shortfall)
£310,000 £0

Saving Ref	Saving Proposal	Planned Savings 2015/16 £	FTE Impact 2015/16 FTE	Service Reduction		Comments/Action - Including Service Impact
				Current	Proposed % reduct'n	
ECOD ES14/19	Administration Costs (budget not as funded from Grant).	2,000	0.0	2,000	0 (100.00%)	Surplus budget due to grant funding.
	Education, Communities & ODHR Directorate Total	310,000	1.4	2,395,670	2,085,670 (12.94%)	

Note: Figures to be populated on a cumulative basis

2015/2016 Budget - Corporate Workstream Saving

Appendix 3

Directorate: Environment, Regeneration & Resources

Saving Target (2015/16):

**Planned Over Recovery / (Shortfall)
£320,000 £0**

Saving Ref	Saving Proposal	Planned Savings 2015/16 £	FTE Impact 2015/16 FTE	Service Reduction			Comments/Action - Including Service Impact
				Current	Proposed	% reduction	
ERR ES14/01	Finance Services - Employee Cost savings due to overachievement of Acc (b) Accountancy saving	18,000	0.0	1,761,720	1,743,720	(1.02%)	No additional impact, saving already agreed November 2011.
ERR ES14/02	Finance Services - Change from Santander and Co-Op to single supplier	10,000	0.0	65,880	55,880	(15.18%)	Cost of £4,000 for re-routing post office payments as one off. No reduction on the pay points for customers. Modernisation proposal.
ERR ES14/03	Finance Services - ATLAS Software efficiency	15,000	0.67	812,080	797,080	(1.85%)	Efficiency generated in Benefits Team arising from investment in ATLAS software. Modernisation proposal. Post now vacant.
ERR ES14/04	Environmental & Commercial Services - Reduction in staff costs Grounds Maintenance, Burial Grounds and Street Sweeping	80,000	3.6	2,469,440	2,389,440	(3.24%)	Underspend funding an overspend in Vehicle Maintenance costs. Service will require to reduce spend on Vehicle Maintenance in order to square the overall Service budget. FTE effect relates to current seasonals underspend.
ERR ES14/05	Environmental & Commercial Services - Various reductions from BSU & Roads overhead budgets	26,000	0.0	123,840	97,840	(20.99%)	Nil impact - in line with previous year's spend.
ERR ES14/06	Environmental & Commercial Services - Reduction in Fuel spend	20,000	0.0	634,220	614,220	(3.15%)	Nil impact - in line with previous year's spend and reflects impact of vehicle tracking system.
ERR ES14/07	Legal & Property - Reduction in Overhead	15,000	0.0	66,180	51,180	(22.67%)	Reduction in Legal Fees (£3k), Printing & Stationery (£8k) in line with previous year's outturn and a reduction in Property O/heads to reflect reduced staffing (£4k).
ERR ES14/08	Legal & Property - Office AMP (1)	65,000	0.0	1,065,000	1,000,000	(6.10%)	Reduction in recurring funding for office AMP arising from reduced Loan Charges as a result of the £500k capital budget no longer being required following the negotiation of favourable lease expiry/dilapidations settlements. Also reduction in revenue input to AMP model due to ongoing favourable loan charges rates and affordability of the model.

2015/2016 Budget - Corporate Workstream Saving

Directorate: Environment, Regeneration & Resources

Saving Target (2015/16): **Planned Over Recovery / (Shortfall)**
£320,000 £0

Saving Ref	Saving Proposal	Planned Savings 2015/16 £	FTE Impact 2015/16 FTE	Service Reduction			Comments/Action - Including Service Impact
				Current	Proposed	% reduction	
ERR ES14/09	Legal & Property - Overrecovery of Cleaning Specification Saving	7,000	0.0	1,631,420	1,624,420	(0.43%)	Reduction in employees factored into 2014/16 budget. This reflects a small overrecovery in savings within the Greenock MB campus.
ERR ES14/10	Regeneration & Planning - Reduce Industrial & Commercial Employee Costs & Security budget	31,000	0.5	42,070	11,070	(73.69%)	Employee Costs - 50% of the funding for this joint post will be met by n for the next 3 years. Thereafter, 0.5 post will continue to be funded by the Council. Security - no impact on Service - budget not used in previous years.
ERR ES14/11	Regeneration & Planning - Reduce Planning overhead lines	15,000	0.0	43,260	28,260	(34.67%)	Reduction in various budgets - Supplies & Services (£4k), Admin costs (£2k) and Payments to Other Bodies (£9k) in line with previous year's spend.
ERR ES14/12	ICT - Net saving from Management Restructure due from 1.4.15	18,000	0.0	1,344,060	1,326,060	(1.34%)	No impact - management restructure will be fully implemented later this year. Assume balance of post (£24k) will be funded from Modernisation EMR in 2015/16.
	Environment, Regeneration & Resources Total	320,000	4.77	10,059,170	9,739,170	(3.18%)	

2015/2016 Budget - Corporate Workstream Saving

Directorate: CHCP

Saving Target (2015/16):

Planned Over Recovery / (Shortfall)
£0

£320,000

Saving Ref	Saving Proposal	Planned Savings 2015/16 £	FTE Impact 2015/16 FTE	Service Reduction		Comments/Action - Including Service Impact
				Current	Proposed	
CHCP ES14/01	Resource Transfer inflation - Director / All Services	100,000	0.0	9,387,000	9,287,000	(1.07%) Removes flexibility for increase to non NCH contracts - emphasis on providers to drive out efficiencies. In 12/13 all inflation 0.5% £43k was allocated pro rata to service expenditure budgets. In 13/14 in line with inflation policy the 2% uplift of £174k was held centrally for allocation and was applied £62k to employee bottom up deficit, £112k to Caladh House, as no specific inflation uplifts outwith the NCHC were agreed. The Caladh House contribution was one off so the £112k is available in 14/15. The 14/15 uplift of 2% £177k has been allocated £51k to homecare providers, £11k to meet pay award for RT funded posts, this leaves a balance of £132k (after £100k proposed savings) to meet all inflation pressures from non residential providers.
CHCP ES14/02	Top slice running costs - All Services	50,000	0.0	878,400	828,400	(5.69%) Will be on top of existing top slice of £25k from running cost budgets in 14/15. Pro rata to last topslice will be Children & Families £6k, Health & Community Care £6k, Mental Health & Addictions £12k, Planning & HI £26k. This will require review of allocations and may need to include a wider range of budget codes.
CHCP ES14/03	Charging Order Income - Health & Community Care	49,000	0.0	60,000	11,000	(81.67%) Increases current income budget from £60k to £109,000. The income received may vary significantly year on year (08/09 £68k, 09/10 £30k, 10/11 £182k, 11/12 £131k, 12/13 £138k, 13/14 £124k). The service will need to contain risk of under recovery in any one financial year.
CHCP ES14/04	Client Package Costs - Addictions	40,000	0.0	173,500	133,500	(23.05%) Reduce specialist residential services by one bed, re Alcohol Related Brain Damage provision. Reflects historic underspend within service over the last 2 years so no impact on any individual.
CHCP ES14/05	Childrens Hearing Safeguard Fees - Children & Families	15,000	0.0	25,000	10,000	(60.00%) Reflects historic underspend in meeting costs associated with safeguarders appointed by the childrens hearing system. In the event of increased activity any resulting cost pressure will need to be met by the service.
CHCP ES14/06	Modernisation / Single Point of Access - All Services	66,000	3.0	4,698,000	4,632,000	(1.40%) To review single point of access and streamline processes - include extending swift financials by 6 months to develop alongside wider system redesigns. A business case proposal will be taken to the next Modernisation Board in July. An indicative saving shown here assumes 3 grade D posts, however the final saving will be based on the actual mix of FTE and grades following detailed review.
CHCP Services Total		320,000	3.0	15,221,900	14,901,900	2.10%

Senior Officers / Members**Outline Timetable – 2015/18 Budget**

	<u>Date</u>
1) Unavoidable budget pressures – CMT Consideration	End of August
2) Budget Strategy agreed by P&R (Plus All Member Briefing)	30.9.14
3) Directorates finalise draft savings proposals	End of September
4) CMT Challenge Days	Early October
5) ECMT – Budget Update	Early October
6) ECMT – Budget Update	27.10.14
7) All Member Briefing on November P&R Report	6.11.14
8) P & R Committee (See Note 1)	18.11.14
9) Formal Engagement with Members regarding savings commences	18.11.14
10) Finance Circular 2015/16 Issued	Early December
11) Finance Strategy Updated	Early December
12) 2015/17 Revenue Budget and 2015/18 Capital Budget agreed	Mid February

Excludes JBG, Public, Employee, Partners engagement detail as this is covered by the Communications Strategy Report.

Note 1 - Report will provide Committee with detail of Budget Pressures and CMT saving proposals prior to wider consultation.