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To: Members of the Cabinet

Date: 3 March 2011

Our Ref:

Your Ref:

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Dear Councillor

**CABINET - THURSDAY 3RD MARCH, 2011**

I refer to the agenda for the above meeting and now enclose the following report(s) which were unavailable when the agenda was printed.

<b>Agenda No.</b>	<b>Item</b>
9.	<b>Transformation Programme and Final Revenue Budget Options 2011/12</b> Liberal Democrat / Conservative Amendment

Yours sincerely,

M. CARNEY

Chief Executive

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# Agenda Item 9

## LIB DEM & CONSERVATIVE GROUPS RESOLUTION FOR CABINET 3<sup>RD</sup> MARCH 2011

### **REPORT 9 “Transformation Programme and Final Revenue Budget Options 2011/12” Recommendations (g), (h), (j)**

#### **Background**

##### **Sure Start Childrens Centres**

The Terms of Reference and timescale for a strategic review of Childrens Centres was approved by Cabinet on 17 February. In order to inform this review it is felt appropriate to identify a savings target for the review group to achieve. A savings target of £900k should be set with the objective of achieving this in 2011/12.

Therefore any savings opportunities identified throughout the review should be implemented in stages rather than wait until the final report stage. Savings targets for future years will be kept under review. Regular progress reports should be presented to Cabinet. In 2011/12 only it is recommended that this saving target be underwritten by one-off resources.

##### **Youth Services**

Included in the assumptions for the February Cabinet report was the decommissioning of all Tier 3 services including Centre Based Youth Services (£1m). In addition targeted youth support was included at Tier 2 and therefore is being considered for an average 50% reduction (£402k). In order to ensure that young people with disabilities are protected, and in response to the consultation and representation received, we are proposing to recommend that a revised combined savings target of £1m be applied to the entire Youth Service regardless of which prioritisation category they are placed in. This represents a reduction in the savings required of £402k. A redesign of the service will ensure that these savings are allocated in the most appropriate way and this should not automatically result in the closure of youth centres. To allow for the redesign of the service, savings should be reduced to £500k in 2011/12 rising to £1m in 2012/13. In delivering these savings we would request that officers ensure

- that the redesign of the service protects our most vulnerable young people while still enabling an element of universal provision
- that all young people who have commenced a Duke of Edinburgh Award be allowed to finish that award pending the final redesign of the service
- that the Duke of Edinburgh Scheme is given a high priority in any service redesign
- that young people are involved in the redesign of the service while being clear that the required savings need to be made
- that any redesign takes maximum opportunity from other council provided and commissioned services such as Leisure Centres and community buildings

## **Budget Pressures**

Whilst the Chief Executive has commented that the budget is robust, she has outlined the inherent risks associated with it given the extent of saving and the timescales for implementation. In addition we are aware that both Adult and Childrens Social Care are facing demand pressures that may exceed the approved additional budget allocations. We are therefore proposing that a sum of £1.6m be allocated from one off resources to a Budget Pressures Reserve. This will be available as a last resort, at the discretion of Cabinet to cope with in year demand pressures. This Reserve will be created from the balance of the projected underspend in 2010/11. Should the actual underspend be less than anticipated the Budget Pressures Reserve will be reduced accordingly.

## **Financial Implications**

Should the above proposal be accepted the revised budget position would be as follows

	2011/12	2012/13	2013/14
	£m	£m	£m
<b>Gap per Cabinet Report</b>	0.0	16.9	19.0
Children's Centre saving target	-0.9	-0.9	-0.9
Part Year effect of Youth Service saving	0.5	0	0
Deletion of the Tier 2 Targeted Youth saving	0.4	0.4	0.4
<b>Revised Savings Gap</b>	<b>0</b>	<b>16.4</b>	<b>18.5</b>

The overall financial position remains balanced. However a further £0.9m will need to be reserved from one-off resources in 2011/12 to underpin the Childrens Centre savings target and a further £1.6m will be required to create the Budget Pressures Reserve. This would mean the total value of one-off resources used to support the budget is £4m.

## **Comments of the Chief Executive (S151 Officer)**

In overall terms the proposals retain a balanced budget in 2011/12 and result in a reduced gap for the following two years. The principle of underpinning the Childrens Centre saving from one-off resources is appropriate as is the creation of the Budget Pressures Reserve. However this results in the total use of one-off resources of £4M. This is the maximum use of one off resources recommended and assumes that the 2010/11 budget will achieve a £2M surplus. The recommendation to adjust the level of the Reserve based on the actual 2010/11 underspend is essential. Having considered the proposals I would not revise my opinion on the robustness of the budget mainly because the longer term impact of the proposal is more favourable and there is an inbuilt adjustment should the availability of one-off resources reduce.

# Agenda Item 9

## **Proposed resolution**

That Cabinet recommends to Council

1. That a savings target of £0.9m in 2011/12 is applied to the Strategic Review of Sure Start Children's Centres and that areas identified for saving be brought forward at the earliest opportunity and not left until the final report stage.
2. That any Childrens Centre savings target for future years be kept under review.
3. That the Childrens Centres savings target in 2011/12 be underwritten by one-off resources.
4. That a combined saving target of £1m be applied to all Youth Service activities in 2012/13 with a part year effect of £500k in 2011/12.
5. Note that this reduces the savings required from the Youth Service by £402k
6. That a redesign of the Youth Service be undertaken to ensure that the savings are met and that our most vulnerable young people are protected whilst still enabling an element of universal service.
7. That a Budget Pressures Reserve of £1.6m be created from one off resources. This is to be used to underpin potential increased demand or pressure in the budget and primarily in adult and childrens social care.
8. That the value of this reserve will be reduced should the 2010/11 underspend be less than £2m.
9. That the Reserve be allocated at the discretion of the Cabinet.

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