

REPORT TO: Cabinet
Council

DATE(S): 16 February 2012
1 March 2012

SUBJECT: Framework Budget Recommendation 2012/13

WARDS AFFECTED: All

REPORT OF: Margaret Rawding
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EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To inform Cabinet of proposed amendments to the Medium Term Financial Plan, and the presentation of a "Framework" Budget / Council Tax recommendation for 2012/13 to be considered by the Council.

REASON WHY DECISION REQUIRED:

The Council must set a budget and a Council Tax by 10 March 2012 at the latest.

RECOMMENDATION(S):

Cabinet is recommended to:

1. Note the proposals to amend the Council's Medium Term Financial Plan, including the changes to the previously agreed savings options re Terms and Conditions, the Capita contract and subscription to the North West Employers Organisation;
2. Note the expected impact of external levies on the Council budget for 2012/13;
3. Consider the Framework Budget included in this report and refer it to Overview and Scrutiny (Performance and Corporate Services) and Council.;
4. Note the Government's offer of additional grant support (for 2012/13 only) should the Authority agree a Council Tax Freeze;
5. Note the new thresholds for Sefton's maximum Council Tax increase for 2012/13 (+1.94%) without the need for a referendum to be held; and
6. Approve a Council Tax for 2012/13, for consideration by Council.

Council is recommended to:

1. Confirm the non-approval of the budget saving options, highlighted in paragraph 4.1,

- which were presented to the 2 February Cabinet meeting;
2. Consider the Budget proposed by Cabinet and approve a Council Budget for 2012/13; and
 3. Set a Council Tax for 2012/13.

KEY DECISION: Yes.

FORWARD PLAN: No , but is underpinned by the Medium Term Financial Plan and the Transformation reports, which are contained within the Forward Plan.

IMPLEMENTATION DATE: Following the expiry of the call-in for this meeting

ALTERNATIVE OPTIONS: There are no alternative options. The Council must set a budget and a council tax by 10 March 2012 at the latest.

IMPLICATIONS:

Budget/Policy Framework: Decisions taken as a consequence of this report will influence the Council's Revenue Budget and Council Tax for 2012/13 and thereby shape the Council's financial plans that year, and for future years.

Financial: See above.

Legal: The Council is required to set a Balanced Budget and Council Tax level by 10 March 2012.

Risk Assessment: Risks associated with the budget have been identified in previous Transformation Programme reports which have been presented to Cabinet. Items which are being presented to Cabinet for the first time in this report, include assessment of risks and Equality Impact Assessments. The Chief Finance Officer's Requirements interim report on the robustness of the financial position can be found elsewhere on the agenda.

Asset Management: There are no direct implications contained in the report. However there may be indirect implications which will be assessed as implementation of the budget progresses.

CONSULTATION UNDERTAKEN/VIEWS:

The Head of Corporate Finance & ICT prepared the report FD 1347/12
The Head of Legal Services has seen the report and any comments are included in the report. LD 705

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy		√	
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

1. Introduction

- 1.1. The Council is legally required to fix its budget and set a Council Tax for 2012/13 by 10 March 2012. A special Budget Council meeting has been arranged for 1 March 2012 for this purpose.
- 1.2. This report identifies proposed amendments to the Medium Term Financial Plan (MTFP) and the expected charges on the Council for 2012/13 from the various levying bodies. In addition, Cabinet is recommended to consider a “Framework” Budget to enable Council on 1 March 2012 to deliberate upon, on 1 March 2012. The latest financial position for the years 2013/14 and 2014/15 are also included for information.
- 1.3. The “Framework” Budget for 2012/13 includes the assumption that the Council Tax Freeze Grant (for 2012/13 only) will be accepted and that there will be **no increase** in Council Tax. Should Members approve any additional items, or amend items already included, the content of the “Framework” Budget will need to be updated.
- 1.4. The abolition of the capping regime and the introduction of a referendum based system, if local authorities want to increase Council Tax higher than Government prescribed limits, are also considered. The maximum Council Tax increase allowed in Sefton without going to a referendum is also highlighted.

2. Medium Term Financial Plan Update

- 2.1. On 26 May 2011 Cabinet approved the assumptions that underpin the Authority’s MTFP for 2012/13 to 2014/15. The Council on 27 October 2011 approved further changes to these assumptions. In addition, in October and November, Council approved a number of savings which reduced the budget gap. Cabinet on 2 February 2012 recommended a number of further savings proposals to Council for approval. If Council on 16 February 2012 approves all these savings, the revised budget gaps are as follows:

	2012/13	2013/14	2014/15
	£m	£m	£m
<u>Forecast Residual Net Saving Requirement</u>	9.780	10.210	11.620
Change Proposals (Low/Medium risk items)	-1.269	-0.003	0.400
Change Proposals (Organisational changes, with no consultation required)	-0.288	-0.114	0.000
<u>Updated Forecast Residual Net Saving Requirement</u>	8.223	10.093	12.020

- 2.2. Officers have been reviewing the assumptions included in the MTFP in the light of additional information and decisions made by Cabinet. This has resulted in a number of proposed changes to the MTFP which are discussed in the following section.

2.3. Proposed Changes to the MTFP

- 2.3.1. Cabinet on 19 January 2012 approved the opening of Southport Cultural Centre with a limited but appropriate programme of activities. This has added £0.398m to the MTFP in 2012/13 with a further £0.324m in future years.
- 2.3.2. Cabinet on 19 January 2012 approved the setting of the Council Tax Base for 2012/13. This will generate additional Council Tax receipts in 2012/13, reducing the budget gap by £0.055m.
- 2.3.3. Sefton has received notification that its two largest levies are to decrease in 2012/2013. The Merseyside Integrated Transport Authority Levy will decrease by £0.091m. The Merseyside Recycling and Waste Authority will decrease by £0.360m.
- 2.3.4. Cabinet on 19 January 2012 approved the award of contracts for the provision of Domiciliary Personal Care for Vulnerable Adults. The MTFP had previously assumed a provision for inflation on these contracts. In addition, the reduced cost of contracts has resulted in savings to the Council. The overall impact of these changes is a reduction in the budget gap of £0.733m from 2012/13.
- 2.3.5. The MTFP previously assumed that the total cost of the Carbon Reduction Commitment, including schools, would have to be borne by the Council. The Schools' Forum has agreed that individual schools should contribute for their share of the cost. The overall impact of this is a reduction in the budget gap of £0.250m from 2012/13.
- 2.3.6. Council on 27 October 2011 approved a £0.700m saving on the Merseyside Connexions contract from 2012/13. The negotiations for the Merseyside wide agreement have now been finalised. This has resulted in further savings of £0.200m in 2012/13 with an additional £0.136m from 2013/14.
- 2.3.7. Cabinet on 26 May 2011 approved the inclusion of £1.500m in the MTFP for Disabled Facilities Grants due to the potential significant reduction in capital grants available to fund this expenditure. Following the announcement of the Capital Grant allocations for 2011/2012 it is expected that only £1.000m will be required as a revenue contribution to fund the total cost of the programme. Therefore, this reduces the budget gap by £0.500m.
- 2.3.8. Cabinet on 23 June 2011 approved the use of New Homes Bonus to partially fund both contractual obligations and the costs of future activity in respect of Housing Market Renewal. The Council has now received a Capital Grant of £3.4m towards the cost of completing the programme. In addition, the allocation of New Homes Bonus in 2011/12 and 2012/13 is greater than previously anticipated. After allocating the amount of New Homes Bonus required to fund the Housing Market Renewal Programme, £0.811m of the grant can be transferred to revenue to reduce the budget gap from 2012/13 onwards.
- 2.3.9. Due to interest rates being forecast to remain low for the next two years and the availability of low cost short term borrowing, it is anticipated that further savings can be made on the Council's Treasury Management costs. These

factors have resulted in further anticipated savings of £0.300m in 2012/13 with an additional £0.100m from 2013/14. It is not currently expected that these savings will be achievable in 2014/15.

2.3.10. Due to there being no local elections in 2013, there will be a saving of £0.100m in 2012/13 and a further £0.100m in 2013/14. The total saving of £0.200m will need to be added back into the budget in 2014/15.

2.3.11. Trade Union Facility Time is provided to staff members within the core Authority and to staff in schools. In past years, this latter element has not been charged to schools. The proposal is a re-alignment of these costs which will enable a reduction of £0.012m to the Authority's core budget.

2.3.12. The contract for Grounds Maintenance has been re-negotiated and extended, with the resultant reduction in expenditure for the period of the contract.

2.4. Previously Agreed saving options

2.4.1. There are a number of savings agreed during the 2011/12 budget process that are now not considered to be achievable. These have been added back to the budget increasing the budget gap pending further consideration of the issues.

a) Terms and Conditions – The Council agreed various changes to Terms and Conditions to achieve budget savings of £3.000m in 2011/12. Part of this saving was achieved by the utilisation of a one-off budget available in 2011/12 only. This has resulted in a shortfall of £0.454m in the achievement of this saving in 2012/13. In addition, it was assumed that further savings of £1.000m would be achievable in 2012/13. There is therefore a total shortfall of £1.454m from 2012/13.

b) Capita Contract – The Council approved savings of £0.112m in 2011/12 rising to £0.224m in 2012/13 on the Capita Contract as part of the reduction in General Corporate and Departmental Support costs. As the contract is to cease and be brought back in-house in 2013 the saving will not be achieved pending a review of the service.

c) Subscriptions – The Council approved a saving of £0.028m from 2012/13 by agreeing to the withdrawal from the North West Employers Organisation from April 2012. Although notice has been served this could be rolled forward twelve months so that the Council has the organisation's support during a period of significant change to the workforce. If approved, the saving will not be achievable until 2013/14 at the earliest.

2.4.2 A separate report on the agenda considers the withdrawal from the Local Government Association, with an associated saving of £0.060m, currently built into the budget for 2012/13. Should the decision be to continue with membership, then the MTFP and "Framework" Budget will need to be amended accordingly.

2.5. Other Changes beyond 2012/13

2.5.1. As part of the Terms and Conditions savings approved during the 2011/12 budget process, agreement was reached to freeze increments for 2011/12 and 2012/13. Therefore, without further agreement, increments will become payable from 2013/14. The MTFP does not currently include this potential cost. The anticipated cost of paying increments is £1.737m from 2013/14 with a further £1.500m in 2014/15.

2.5.2. The Government grant that contributes to the cost of Housing and Council Tax Benefit administration is significantly reducing. It is anticipated that the grant will reduce by £0.250m in 2013/14 and a further £0.250m from 2014/15.

2.6. Summary of proposed changes

2.6.1. The changes to the MTFP outlined in the report have the following impact on the budget gaps for 2012/13 to 2014/15.

	2012/13	2013/14	2014/15
	£m	£m	£m
<u>Forecast Residual Net Saving Requirement (following Cabinet on 2 February 2012)</u>	8.223	10.093	12.020
<u>Proposed Changes to the MTFP</u>			
Southport Cultural Centre	0.398	0.324	0.000
Council Tax Base	-0.055	0.000	0.000
Levies	-0.451	0.000	0.000
Domiciliary Personal Care for Vulnerable Adults	-0.733	0.000	0.000
Carbon Reduction Commitment	-0.250	0.000	0.000
Connexions	-0.200	-0.136	0.000
Disabled Facilities Grants	-0.500	0.000	0.000
New Homes Bonus	-0.811	0.000	0.000
Treasury Management	-0.300	-0.100	0.400
Elections	-0.100	-0.100	0.200
Re-Alignment of Trade Union Facility Time	-0.012	0.000	0.000
Landscape Services – Grounds Maintenance contract renewal	-0.130	0.000	0.000
	-3.144	-0.012	0.600
<u>Previously Agreed Saving Options</u>			
Terms and Conditions	1.454	0.000	0.000
Capita Contract	0.224	0.000	0.000
NWEO	0.028	-0.028	0.000
	1.706	-0.028	0.000
<u>Other Changes beyond 2012/13</u>			
Increments	0.000	1.737	1.500
Housing and Council Tax Benefit administration subsidy	0.000	0.250	0.250
	0.000	1.987	1.750
<u>Updated Forecast Residual Net Saving Requirement</u>	6.785	12.040	14.370

3. Levying Bodies

- 3.1. The Council is required to pay levies to a number of external bodies. The expected levy amounts to be paid in 2012/13, and their impact on Sefton's budget compared to 2011/12, is shown in the table below. A number of these bodies have not yet formally approved their levies as at the time of writing the report.

<u>Levying Body</u>	2011/12 £	2012/13 £	Change £
Integrated Transport Authority	25,773,000	25,682,000	-91,000
Waste Disposal Authority	12,974,007	12,613,601	-360,406
Environment Agency	147,584	147,584	0
Port Health Authority	79,500	79,500	0
Inshore Fisheries and Conservation Authority	58,661	59,248	+587
	39,032,752	38,581,933	-450,819

The above figures have been built into the "Framework" Budget for 2012/13, considered below.

4. Police and Fire Authority Precepts

- 3.1 The Merseyside Police Authority and the Merseyside Fire and Rescue Authority are due to meet on 16 February 2012 and set their budgets / precepts for 2012/13.
- 3.2 The current financial planning for the Fire and Rescue Authority relies on a 4% increase in Council Tax for 2012/13, but a final decision will not be taken until the above date.

With regard to the Police Authority, no firm recommendation is being made regarding the level of the precept.

4. Additional information on savings options

- 4.1 Cabinet on 2 February also agreed the following items were not in a position to contribute to the budget savings for 2012/13. Council is asked to confirm that these items are not to be included in the "Framework" Budget.

Ref	Service Area	Proposal	Recommendation
E1.3	Children's Transport	Reduce planned expenditure through increased efficiency	<ul style="list-style-type: none"> agree that it is not currently feasible to identify a budget reduction associated with the discretionary element of children's transport
E4.3	Capita Contract	Reduction and restructuring of a range of services currently delivered as part of the "Core" Contract	<ul style="list-style-type: none"> agree that the achievement of this savings will be delayed in light of the decision to terminate the Capita contract
E5.6	Home Improvements	Bringing the Home Improvement agency service for DFGs, in-house	<ul style="list-style-type: none"> agree that a formal procurement process to provide the Home Improvement agency service be approved
E6.10	Floral Hall	Retendering / disposal of Southport Theatre & Convention Centre	<ul style="list-style-type: none"> agree that Officers re-consider the best means of securing a cost saving while continuing the activity of the complex, either through re-tendering or consideration of sale of the complex in the future, subject to the required approvals.
E2.10	Fair Access to Care Criteria	To review Sefton's application of the Fair Access to Care Criteria with a proposal to raise the adult care eligibility threshold to 'Critical' only	<ul style="list-style-type: none"> agree a wider review of the activities and resources associated with the application of the FACS criteria, to be completed by October 2012 with recommendations to Cabinet in November 2012

Attached at **Annex A** is an extract from the 2 February 2012 Cabinet report which provides further background to the above.

4.2 In addition, the option to dispense with Mayoralty and Twinning (E6.1) is not considered to be in a position to progress until a further mini-review is undertaken.

4.3 At Cabinet on 2 February 2012, further information was requested for a number of the saving options. This information has been prepared and can be

found on the Transformation update report elsewhere in this agenda. A number of these items are included in the “Framework” Budget shown below.

5. “Framework” Budget for 2012/13

- 5.1 Under the Council’s Constitution, a Budget / Council Tax level has to be recommended to Council for consideration. The following “Framework” Budget has been prepared in order to fulfil the Constitutional requirement. The decisions agreed at the 2 February Cabinet meeting have been incorporated into the initial budget gap. Proposed amendments to the assumptions built into the Medium Term Financial Plan, considered earlier in the report, have been included in the table as a single line.
- 5.2 At the Cabinet meeting, Members are able to add, or delete, items contained within the “Framework” Budget, BUT the overall position must remain as a balanced budget. The position for the following two years (2013/14 and 2014/15) are shown for completeness, but do not form part of the “Framework” Budget.
- 5.3 In line with the previously approved policy, the use of one-off balances (£2.5m) has been assumed in the “Framework” budget as set out below. This resource has been included to allow for the phasing of two projects relating to the Re-commissioning of Nursing and Residential Care and the Supporting People changes.
- 5.4 The table below presents a position which results in an overall surplus (£0.346m). In addition, Members may wish to identify new / alternative options which could be included in the “Framework” Budget. Members should note that if savings greater than those required are identified, then an option could be taken out of the 2012/13 budget process, but agreed for implementation in 2013/14 i.e. taking a longer term view of the budget process, or used to reduce the use of one-off resources in 2012/13. Any reduction in the use of one-off resources built into the budget would provide a greater buffer within the year, should any shortfalls in the savings be identified.
- 5.5 The following table identifies savings options that have been included in the “Framework” Budget: -

	Ref:	Categorisation / Service	2012/13 Budget	2013/14 Budget	2014/15 Budget
			£m	£m	£m
		Residual saving requirement following 2 February Cabinet	8.223	10.093	12.020
		Less MTFP adjustments (above)	-1.438	+1.947	+2.350
		Revised Budget Gap	6.785	12.040	14.370
		<u>Low and Medium Options</u>			
1	E3.14	Arts & Cultural Services – Crosby Civic Hall	-0.044	0.000	0.000
2	E4.4	Grass Cutting – Reduce Frequency	-0.050	0.000	.0.000
3	E6.6	Public Conveniences – Market Test	-0.100	0.000	0.000
4	E6.7	Tourism - Reduction	-0.090	0.000	0.000

	<u>High Impact Options</u>				
5	E4.6	Recharge sports users and allotment holders the costs of provision of utilities	-0.059	0.000	0.000
6	E4.7	Recharge formal sports users the costs of grounds maintenance	-0.061	-0.050	0.000
7	E4.8	Closure of aviary, nursery shop and the fernery at Botanic Gardens and conservatory at Hesketh Park	-0.050	0.000	0.000
8		Parks Greenspaces, Coast & Countryside Redesign	-0.250	-0.330	0.000
9	E2.6 E2.7 E2.9	Re-commission Nursing and Residential care	-1.500	-1.500	0.000
10		Supporting People	-2.000	-1.000	0.000
	<u>Reviews</u>				
11		Voluntary, Community Faith Review	-0.170	0.000	0.000
12		Assessment & Care Management - Community Care Practitioners	-0.257	0.000	0.000
13		Use of One-off savings to fund the part year impact of lines 9 and 10	-2.500	+2.500	0.000
	Total surplus (-) / Gap		-0.346	11.660	14.370

5.6 Attached at **Annex B** are brief descriptions of the saving options included above.

5.7 Having considered the information in the Transformation report, Cabinet is asked to refer its consideration of the above budget to Council.

5.8 A full service analysis of the “Framework” budget is attached at **Annex C**.

6. Referendum system for Council Tax increases / Council Tax Freeze Grant

6.1 Members will be aware of the abolition of the Council Tax Capping regime and the introduction of a referendum of the local electorate should authorities wish to have a Council Tax increase above a threshold limit.

6.2 For Metropolitan Authorities, the threshold announced for 2012/13 is 3.5%. However, further details were issued in late January which identifies that the total Council Tax increase has to be split into two elements – Council services and levying bodies.

6.3 The implication of this change is that if a reduction / increase in levy is agreed by such bodies, the full impact of this is assumed to be passed directly onto the Council Tax payer. The impact of this is that the **headline threshold of 3.5% is now not be feasible** for Sefton. The introduction of the calculation means that not all councils across the country are treated the same. For example, county councils have such costs within their own budget (i.e. the services are not provided by a levying body), and would not be affected.

- 6.4 **Based upon the indicative figures that have been released by the levying bodies, Sefton's maximum Council Tax increase for 2012/13 would be 1.94%. On an ongoing basis, the maximum Council Tax increase for Sefton will be 2.36% (if the threshold remained at 3.5%).**
- 6.5 Discussions have taken place with the DCLG, who have confirmed our understanding of the methodology and are comfortable with the implications. Representations have been made to the Local Government Association, who are taking this issue up with the DCLG; a response is awaited.
- 6.6 Members are aware of a new Council Tax Freeze Grant, equivalent to a 2.5% increase in Council Tax, available to those authorities that freeze or reduce their Band D Council Tax in 2012/13. For Sefton, the indicative grant level is £2.947m. The major difference compared with the 2011/12 Grant is that in 2012/13 the additional resources will only be a one-off. The saving requirement would only be reduced for one year i.e. the budget gap for 2013/14 would increase.
- 6.7 For 2012/13, the Council is faced with a decision to either accept the Council Tax Freeze Grant, or to increase the Council Tax. The MTFP / "Framework" Budget assume that the Freeze Grant will be taken.
- 6.8 An increase in Council Tax to the maximum allowed, without a referendum (1.94%), would generate approximately £2.3m, i.e. £0.6m less than would be received from Council Tax Freeze Grant. Further savings to meet this shortfall would need to be identified for 2012/13 (or the use of further one-off resources) in order for a balanced budget to be achieved.
- 6.9 The introduction of a Council Tax increase in 2012/13 would however generate additional resources to the Council in the longer term, as the base level of Council Tax would be increased for future years. Based upon a Council Tax increase of 1.94% in 2012/13, this would generate an additional £6.3m over the four year period 2012/13 to 2015/16.

7. Recommended Budget / Council Tax for 2012/13

- 7.1 The Council must set a budget and the Council Tax by 10 March 2012 at the latest. As Members are aware a Council meeting to determine the budget has been arranged on the 1 March 2012. The Council's Constitution requires the Cabinet to propose a budget to Council.
- 7.2 Members are asked to recommend the "Framework" Budget (or another amended, but balanced budget) and a Sefton Council Tax for 2012/13 to the budget meeting of the Council on 1 March 2012.

Extract from 2 February 2012 Cabinet report

Cabinet has agreed that the options set out below are not in a position to contribute to the budget savings for 2012/13 as detailed below.

“6. Options not to be progressed

- 6.1 As mentioned earlier in the report an initial package of potential budget options was approved by Cabinet, 13th October 2011, to commence consultation and engagement. Alongside this Officers have continued to explore these options and in light of this work, further analysis and change in circumstance Officers have identified that the following options are no longer feasible.
- 6.2 Option E1.3 Specialised Transport Unit – Children’s - A review of the limited use of the discretionary element. Section 509 of the Education Act 1996 (as amended) refers to provision of home to school transport is a statutory requirement. Pupils with a statement of special educational needs (SEN) who have transport needs written into their statement must be provided with free transport to and from school.

Councils are generally only under a duty to provide free transport to a child’s nearest suitable school where the child cannot reasonably be expected to walk, having regard to his or her SEN status. The nearest suitable school for a pupil with SEN may well be within statutory walking distance. If a child is attending a school of parental preference i.e. where the Council considers there is a suitable school nearer the pupil’s home, there is no duty to provide free transport.

If a school of parental preference is named on the statement, and the Council decides not to provide transport, the statement should make clear that it is the responsibility of the parents to arrange transport.

The statutory criteria are: distance to nearest appropriate school (2 miles for under 8s and 3 miles for over 8s), because of a disability or as part of their statement of special educational need.

The Council’s policy allows for discretionary transport and all service users have been reviewed. This review had shown that there are only 4 discretionary users (as at December 2011) and in each case there would be no saving to the Authority if the provision was removed because the transport would still be required for others.

Specialist Transport Unit are looking into further efficiencies but given the efficiencies already made in bringing the budget overspend under control there are unlikely to be significant savings to be found.

Note that the estimated figure was originally £33,000 and £300,000 was erroneously entered.

Having taken into consideration the information provided above in relation to E1.3 Cabinet is asked to agree that it is not currently feasible to identify a budget reduction associated with the discretionary element of children’s transport.

- 6.3 Option E4.3 Reduction and restructuring of a range of services currently delivered as part of the “Core” Contract. Following the decision to terminate the Capita contract this saving cannot be achieved within the previously identified timescales but will be reflected in future service delivery cost savings from 2014/15 onwards.
- 6.4 Having taken into consideration the information provided above in relation to option E4.3 Cabinet is asked to agree that this option is no longer feasible within previously agreed timescales in light of the decision to terminate the Capita contract.

7. Options to be re-defined

- 7.1 During the consultation period Officers have continued to undertake further analysis and assess risk in relation to all options. In some instances it is no longer feasible to progress the option as previously described. The thrust of the following options now needs to be refocused as described below –
- 7.2 Option E5.6 Bringing the Home Improvement agency service for Disabled Facility Grants (DFGs), in-house. Officers have consulted with Finance, HR, and Legal. The HR/Legal advice identified a number of risks mainly relating to TUPE. Having considered these risks the assumed potential savings are too uncertain to progress. Officers are now looking to re-procure the HIA service. This may realise some savings in 2013-14, but this will not be known until tenders are received. Cabinet is asked agree that a formal procurement process to provide the Home Improvement agency service be approved.
- 7.3 Option E6.10 Retendering / disposal of Southport Theatre & Convention Centre - Following an exercise where expressions of interest were sought from potential operators of the complex, the three expressions received were evaluated. Only one had sufficient merit to consider progressing. It is clear that no saving will be secured via pursuing this single credible expression of interest. Therefore it is intended to withdraw the savings proposal at this stage and re-consider the best means of securing a cost saving while continuing the activity of the complex, either through re-tendering or consideration of sale of the complex in the future. Therefore, a revised savings proposal will be submitted in respect of the 2013/14 budget round. Cabinet is asked agree that Officers re-consider the best means of securing a cost saving while continuing the activity of the complex, either through re-tendering or consideration of sale of the complex in the future, subject to the required approvals.
- 7.4 E2.10 Fair Access to Care Criteria (FACS). Councils with adult social services responsibilities are required to use the FACS guidance published by the Government in specifying their eligibility criteria, describing those circumstances that make adult individuals, with disabilities, impairments and difficulties eligible for help. The FACS Criteria/framework is based on the impact of “needs” on factors that are key to maintaining an individual's independence over time. The eligibility framework is graded into four bands, which describes the seriousness of the risk to independence or other consequences if needs are not addressed. The four bands are: Critical; Substantial, Moderate; and Low. Sefton's current eligibility criteria are set at Critical and/or Substantial, this option would result in a reduction of those eligibility criteria to Critical only.

Of those service users who have been allocated new services to date in the 2011/12 87% were categorised as having Critical risks to independence and 13% having only Substantial risks. This compares with 83% Critical, 17% Substantial in 2010/11 and 80% Critical, 20% Substantial in 2009/10. The proportions differ if analysed by location of care provision, with those in Nursing Homes having the highest proportion categorised as Critical (97%) and those with a community-based care package the lowest (83%) but as with the overall proportion there has been a shift towards Critical in the last 3-year period. The following table summarises the breakdown and associated cost:

Year	Critical*		Substantial Only		Total	
	Number	Cost (£)	Number	Cost (£)	Number	Cost (£)
2010/11	3754	11,771,804	743	1,439,729	4497	13,211,533
2011/12 **	3014	10,286,714	431	933,443	3445	11,220,157
* some service users will also receive some service relating to Substantial risks						
** this data only covers weeks 1-38 of the financial year 2011/12						

By definition a reduction in eligibility criteria has potential implications for compliance with the Public Sector Equalities duty as the affected service users will be individuals with physical, sensory, learning or cognitive disabilities and impairments, or from mental health difficulties.

The scope of the targeted consultation necessary is potentially very large. Those affected by the change may include:

- current adult service users who receive help in relation to Critical and also Substantial risks to independence and those with solely substantial risks (i.e. service users facing a reduction in help)
- Adult individuals not currently receiving help but whose risk to independence might be expected to progress to substantial (i.e. individuals who will not receive help in the future if/when they are assessed with Substantial risk to independence);
- Children & Young People (to whom the FACS criteria do not apply) who may currently receive help that would cease on their transition to adulthood.; and
- Carers of anyone in the above groups.

In addition, it would also be proposed to again undertake a wider non-targeted public consultation via e-consult.

There is a very strong likelihood of a reduction in eligibility criteria being challenged. There have been a number of successful Judicial Review challenges against decisions to reduce the eligibility criteria and the Council has already received one letter indicating that a challenge would be made on behalf of a resident.

The Association of Directors of Adult Social Services (ADASS) Budget Survey 2011 showed that at March 2011 of the 153 local authorities with adult social care responsibilities 6 had set their eligibility criteria at Critical only (Birmingham; Kirklees; Isle of Wight; Northumberland; West Berks; and Wokingham). Following challenge or an adverse Judicial Review Judgement three of those authorities (Birmingham; Kirklees; and Isle of Wight) have since reverted to Critical and/or Substantial, such that it is currently understood that there are only 3 local authorities at Critical only and 150 at a

level less than Critical (i.e. Substantial, Moderate and a small number at Low).

There is also uncertainty in quantifying the actual saving that would be made as a result. Whilst it is possible to identify the cost of services provided to help those with Substantial risks to independence (approximately £1.4m in new services in 2011/12), it is extremely difficult to quantify the impact of not providing that help, in particular, to what extent, if any, that would result in an acceleration of an individual's progression to Critical risks to independence, the consequence of which could be a temporary saving but a longer-term increase in costs to the Council.

The process would require an extensive re-assessment of the needs and care packages of a large number of service users and this is likely to require significant additional resource in order to prevent failure of day-to-day service provision. Changed eligibility criteria could be immediately applied to all new assessments, but application of the changed criteria to existing service users would need to be carried out through a review of care needs, the extent of additional resource required would be determined by the speed with which reviews are undertaken (i.e. in accordance with the planned review timescales, or an expedited process to immediately review all service users).

Cabinet is asked to agree a wider review of the activities and resources associated with the application of the FACS criteria, to be completed by October 2012 with recommendations to Cabinet in November 2012. Potential savings arising from this review would be realised in 2013/14."

Ref	Service Area	Proposal	Recommendation
E1.3	Children's Transport	Reduce planned expenditure through increased efficiency	<ul style="list-style-type: none"> agree that it is not currently feasible to identify a budget reduction associated with the discretionary element of children's transport
E4.3	Capita Contract	Reduction and restructuring of a range of services currently delivered as part of the "Core" Contract	<ul style="list-style-type: none"> agree that the achievement of this savings will be delayed in light of the decision to terminate the Capita contract
E5.6	Home Improvements	Bringing the Home Improvement agency service for DFGs, in-house	<ul style="list-style-type: none"> agree that a formal procurement process to provide the Home Improvement agency service be approved
E6.10	Floral Hall	Retendering / disposal of Southport Theatre & Convention Centre	<ul style="list-style-type: none"> agree that Officers re-consider the best means of securing a cost saving while continuing the activity of the complex, either through re-tendering or consideration of sale of the complex in the future, subject to

Ref	Service Area	Proposal	Recommendation
E2.1 0	Fair Access to Care Criteria	To review Sefton's application of the Fair Access to Care Criteria with a proposal to raise the adult care eligibility threshold to 'Critical' only	<p>the required approvals.</p> <ul style="list-style-type: none"> • agree a wider review of the activities and resources associated with the application of the FACS criteria, to be completed by October 2012 with recommendations to Cabinet in November 2012

Annex B

Further information on items contained in the Framework Budget

The proposals, consultation reports, equality assessments, risks and mitigating actions associated with the proposals below have been included in the Transformation Programme Report 2011-2014 that can be found elsewhere on the agenda.

Ref	Service Area	Proposal	For Cabinet consideration & subject to the final decision of Council
E3.14	Arts & Culture	E3.14	<ul style="list-style-type: none"> • the cessation of all Council originated activity at Crosby Civic Hall with effect from 30th June 2012 be approved and retain core supplies and service budget • the venue be maintained in a useable condition • note that Officers will respond to any approaches or interested parties who wish to investigate opportunities to self manage the facility • Officers be authorised to prepare for implementation immediately then (subject to the duty to consult with employees and trade unions) issue relevant statutory and contractual notifications, if necessary, subject to the final decision of Council.
E4.4	Highways Maintenance	A further reduction in Highways Grounds Maintenance Works Budgets which will be delivered by a reduction in the number of cuts to all highway grassed areas	<ul style="list-style-type: none"> • that a reduction of three cuts to all highway grassed areas at a saving of £50,000 be approved • Officers are authorised to prepare for implementation immediately, including the issue of relevant statutory and contractual notifications, if necessary, subject to the final decision of Council
E6.6	Public Conveniences	Public Conveniences – Market Test	<ul style="list-style-type: none"> • a formal procurement process to provide the public convenience operational service be approved • Officers are authorised to prepare for implementation immediately, including the issue of relevant contractual notifications, subject to the final decision of Council.

Ref	Service Area	Proposal	For Cabinet consideration & subject to the final decision of Council
E6.7	Tourism	Review of Service	<ul style="list-style-type: none"> • That the Tourist Information Centre be relocated to the Southport Cultural Centre in 2013 resulting in a reduction to the Tourism budget of £90,000 be approved • Note that £38K will be taken from the Tourism budget in the 12/13 financial year to achieve the £90K target <ul style="list-style-type: none"> • Officers be authorised to prepare for implementation immediately then (subject to the duty to consult with employees and trade unions) issue relevant statutory and contractual notifications, if necessary, subject to the final decision of Council.
Review	Older People	<i>Community Care Practitioner Review (CCP)</i>	<ul style="list-style-type: none"> • the approval of a re-organisation of the CCP staff to target resources more effectively and realise efficiencies. This could entail an immediate reduction in the levels of CCP's within the Adult Social Care Teams by four posts, resulting in a further saving of approximately £114K. • Officers be authorised to prepare for implementation immediately then (subject to the duty to consult with employees and trade unions) issue relevant statutory and contractual notifications, if necessary, subject to the final decision of Council.
Review	Commissioning	<i>VCF Review</i>	<ul style="list-style-type: none"> • the approval of a budget reduction of £170k. • Agree that the details of future savings are to be agreed with the Cabinet Safer Communities and Neighbourhoods
E4.6	<i>Landscape Services</i>	Recharge sports users and allotment users	<ul style="list-style-type: none"> • the approval of recharging sports users and allotment users the costs of provision of utilities

Ref	Service Area	Proposal	For Cabinet consideration & subject to the final decision of Council
		the costs of provision of utilities	
E4.7	<i>Landscape Services</i>	Recharge formal sports users the costs of Grounds Maintenance	<ul style="list-style-type: none"> the approval of recharging formal sports users the costs of Grounds Maintenance
E4.8	<i>Landscape Services</i>	Closure of Aviary, Nursery Shop and Fernery at Botanic Gardens and Conservatory at Hesketh Park	<ul style="list-style-type: none"> the approval of the Closure of Aviary, Nursery Shop and Fernery at Botanic Gardens and Conservatory at Hesketh Park Officers be authorised to prepare for implementation immediately then (subject to the duty to consult with employees and trade unions) issue relevant statutory and contractual notifications, if necessary, subject to the final decision of Council.
<i>Landscape Services Change Proposals</i>			<ul style="list-style-type: none"> the approval of an in principle budget reduction of £380,000 in 2012/13 and £330,000 in 2013/14 (subject to the extension of the Grounds Maintenance contracts). Cabinet is also asked to agree that the specific details for re-engineering these services to achieve the savings stated above be delegated to and approved by the Cabinet Member Leisure and Tourism. The outcome of the review will have an impact on a range of functions and areas and this may in turn impact on staffing levels. Should this occur Officers be authorised to prepare for implementation then (subject to the duty to consult with employees and trade unions) issue relevant statutory and contractual notifications, if necessary.
Supporting People			<ul style="list-style-type: none"> the approval of an in principle budget reduction of £2m in 2012/13 and a further £1m in

Ref	Service Area	Proposal	For Cabinet consideration & subject to the final decision of Council
			2013/14
		Re-Commissioning of Nursing & Residential Care (E2.6, E2.7 & E2.9 - Review of policy – Quality Care Payments & Inflation Provision)	<ul style="list-style-type: none"> • Following the conclusion of the consultation on the 2011/12 and 2012/13 fees the Council considers it is not in a position at the moment to determine the fee rates for the forthcoming financial year. It wishes to have the opportunity to consider further the risk assessment in relation to the same. It is also the Council's intention to explore alternative commissioning approaches. As such there is an ambition to realise a saving of £1.5m in 2012/13, by a combination of the costs of care and operational and commissioning efficiencies and a further £1.5m in 2013/14. If the review identifies that this is not achievable Members will be informed accordingly and reported back to Members thereafter • the approval of an in principle budget reduction of £1.5m in 2012/13 and a further £1.5m in 2013/14