

Report to: Council

Date of Meeting: 5 March 2015

Subject: Revenue Budgets 2015/16 and 2016/17

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Executive Summary

The Council must legally set a balanced budget, one that is robust and sustainable. This report:

- Recaps the decisions taken by Council in January 2015
- Informs Council of the recommendations from Cabinet regarding the two year financial plan and the 2015/16 Council tax options
- Gives a summary of the draft budget recommended by Cabinet
- Gives a summary of the budget changes included in the draft budget
- Makes recommendations on the allocation of specific grants
- Updates the Council on the funding of schools agreed by the Schools' Forum

Council will wish to consider these items before determining the:

- Budget for 2015/16 and the two year financial plan for 2015/16 and 2016/17
- Setting the Council Tax increase for Sefton Council
- Approving the overall Council Tax resolution

This report presents a 2 year budget plan, which enables a budget for 2015/16 to be approved and identifies those policy changes required to deliver a sustainable and robust two year budget plan. Due to the mixture of efficiencies and significant policy changes some of these options cannot and will not be realised within a 12 month period and will contribute to the 2016/17 budget as illustrated in this report. This will require the implementation of major change programmes and appropriate capacity will need to be dedicated to ensure deliverability. Given the scale of the budget reductions any slippage or underachievement will have implications for the financial management of the Council and as such robust management and monitoring arrangements must continue to be operated.

List of Appendices

- Appendix 1: List of Budget Proposals
- Appendix 2: Individual School Budgets
- Appendix 3: Draft Council budgets 2015/16 and 2016/17

Recommendation(s)

It is recommended that Council : -

- 1) Considers the recommendations of Cabinet of 5 February 2015 to:
 - i) The use of Section 106 money as outlined (Para 3.2a)
 - ii) an increase in cremation and burial fees by 5% over inflation (Para 3.2b)
 - iii) a further reduction in the CHAMPS budget as outlined (Para 3.2c)
 - iv) the capitalisation of Highways, ICT and systems development currently funded by the revenue budget (Para 3.2d)
 - v) an adjustment to the Medium Term Financial Plan which only allows for incremental progression in 2015/16. (Para 3.2e)
 - vi) to cease discretionary support to Parishes for the Council Tax Reduction Scheme from 2106/17. (Para 3.2f)
 - vii) to agree the budget assumptions regarding the changes in managements arrangements and the contracted transactional services as contained in paragraphs 2.2.(a) and 2.2.(b).
- 2) Approves the Budget for 2015/16 and the two year financial plan covering the years 2015/16 and 2016/17 and authorise officers to undertake the necessary actions relating to the saving associated with no incremental progression in 2016/17 and more generally all other relevant implementation associated with these recommendations.

Endorse the undertaking of an Autumn review of the Medium term Financial Plan, the 2016/17 budget and service reviews as outlined in Para 5.2
- 3) Approves the fees and charges as proposed in the draft Council budget
- 4) Approves a Council Tax increase for Sefton Council of 1.99% (Para 4)
- 5) Approves the use of one off resources of £1.239m in 2015/16 (Para 5)
- 6) Approves the allocation of specific grants as detailed (Para 7)
- 7) Note the Schools' Forum decisions on the Dedicated Schools Grant
- 8) Subject to the recommendations above to approve the overall Council Tax resolution including Police, Fire and the Parishes as circulated separately (to follow)

Reasons for the Recommendation:

The recommendations in this report, provide the basis on which the Council's two year budget plan would be balanced for the period 2015-2017.

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

What will it cost and how will it be financed?**(A) Revenue Costs**

The revenue gaps for each of the years 2015/16 to 2016/17 are projected at £32.366m and £22.340m respectively. The figures are individual in-year savings targets, assuming the previous years' targets are achieved

(B) Capital Costs

The two year financial plan includes the transfer of £1m revenue funded activity to be met from the Capital programme from 2015/16. If this option is approved this will be a first call against uncommitted capital programme resources from 2015/16.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal

There are no direct legal implications arising from the contents of this report. However in the course of each of the individual projects, consultations, options etc. to achieve the savings required detailed consideration should be given to the legal, human rights and equality implications. Such consideration will also need to be evidenced to ensure that the Council's decision making processes are defensible. Recommendations in this report ensure that the Council sets a legally balanced budget for 2015/16 and outlines a two year budget plan for 2015/17.

Human Resources

The proposals contained within this report have a potential impact upon employees and the potential for both voluntary and compulsory redundancies. It will be necessary for the Authority to comply with the duty to consult with recognised Trade Unions and employees and to complete as necessary a notification under Section 188 of the Trade Union Labour Relations (Consolidation) Act 1992. Also form HR1 to the Department of Business Innovation and Skills notifying of redundancies has yet to be filed. Full and meaningful consultation should continue to take place with the Trade Unions and employees on the matters contained within this report.

Equality

- | | |
|---|-------------------------------------|
| 1. No Equality Implication | <input type="checkbox"/> |
| 2. Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. Equality Implication identified and risk remains | <input checked="" type="checkbox"/> |

Impact on Service Delivery:

Service implications for new budget options are outlined within this report and should be considered in conjunction with those described within the options and proposals approved by Council on 22 January 2015. These can be accessed via this link to the Council's website: <http://modgov.sefton.gov.uk/moderngov/mgAi.aspx?ID=30428>

What consultations have taken place on the proposals and when?

The Overview and Scrutiny (Corporate Services and Performance) have given consideration to the detailed options at their meeting of 13 January 2015. Regular and ongoing consultations also took place with Directors, employees and Trade Unions.

The Head of Finance and ICT is the author of this report (FD 3448/15) and the Head of Corporate Legal Services has been consulted and appropriate comments are incorporated (LD 2740/15/15)

Are there any other options available for consideration?

The Council has a legal obligation to set a balanced and robust budget and to set the Council Tax for 2015/2016 before 10 March 2015.

Implementation Date for the Decision

Officers will be authorised to implement all decisions within this report immediately following Council on 5 March 2015.

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Background Papers:

Fees and Charges Schedule

1. Background

- 1.1 All Members will be aware that the Council faces a budget deficit of £55m over the next two years and that these are the fifth and sixth successive years of budget reductions. Over recent months work has been ongoing to identify options which would eliminate this deficit. The process has involved an extensive risk assessment coupled with consideration of the alignment of services with the Council's priorities.
- 1.2 The process was considered in detail at Council on 22nd January 2015 and Members are reminded of the key attributes of the process.

The first consideration is to ensure that budget cuts take into account the relative priority of services. Through various consultation responses the communities of Sefton have identified the following thematic priorities

- Most Vulnerable
- Community Resilience
- Economy
- Environment
- Health and Wellbeing

- 1.3 Of course these priority themes can comprehensively cover most Council services and therefore it is necessary to differentiate what is the most important activity the Council undertakes to support its communities i.e. its core purpose. Council budget discussions over the last 4 years have centred on the priority given to our most vulnerable people and also those core services that Council Tax payers expect to see delivered. In addition, prominence has also been given to building more confident and resilient communities and, of course, economic prosperity is extremely important in building a sustainable Borough going forward. Therefore in order to inform the allocation of a significantly reduced resource, the Core Purpose of the Council is assumed to be

- **Protect the most vulnerable** i.e. those people who have complex care needs with no capacity to care for themselves and no other networks to support them.
- **Commission and provide core services** which meet the defined needs of communities and which are not and cannot be duplicated elsewhere.
- **Enable/facilitate economic prosperity** i.e. maximise the potential for people within Sefton to be financially sustainable through employment/ benefit entitlement.
- **Facilitate confident and resilient communities** which are less reliant on public sector support and which have well developed and effective social support networks.

- 1.4 This has been a challenging process; producing options that would eliminate the forecast deficit whilst attempting to minimise the impact on communities. However given the magnitude of saving it would be impossible to eliminate the impact and the risk. To date budget cuts of £39.2m have been approved by Council leaving a gap remaining of £15.5m. This report provides proposals which would eliminate the remaining gap and enable Council to approve a balanced two year budget plan for the period 2015 to 2017.

2. Latest Summary Two year Financial Plan 2015/16 and 2016/2017

2.1 The following table recaps the decisions approved at 22 January 2015 Council meeting.

			£m	£m
Budget Gap reported to December 2013 Cabinet				54.706
Funding Changes approved				-4.960
Green waste change approved			-0.430	
Adjustment for Funding Settlement			+0.121	
Updated Efficiency savings			-15.340	
Updated Options for consultation and preparation by Officers			-12.923	
New options for consideration			-5.696	
Net Total Options presented to date				-34.268
Future options to be determined				15.478

2.2 In addition to the options summarised above Cabinet in January 2015 also recommended that the following budget planning assumptions should be included in the plan.

- a) Management Arrangements - the Chief Executive will undertake a review of senior and middle management to reflect remaining Council responsibilities. At this stage a budget planning assumption of £1.3m is being made. This will be firmed up over the coming months as specific proposals are considered.
- b) An ongoing review of major strategic transactional service contracts will identify the scope to renegotiate and achieve service changes and efficiencies. At this stage a budget planning assumption of £1m is being made. This will be firmed up over the coming months as specific proposals are considered.

2.3 Taking into account paragraphs 2.1 and 2.2 above, the financial gap remaining to balance the two year plan is £13.178m. Council is recommended by Cabinet to consider the approach below as a means of bridging this gap.

3. Bridging the Gap

3.1 As indicated above, Council need to approve further budget proposals totalling £13.178m. Cabinet has recommended to Council a combination of specific options, an indication of the likely Council Tax increase plus an assessment of further work on two major reviews which will be ongoing beyond March.

3.2 New Specific Options

- a) The funding of new developments through Section 106 resources has been reviewed. In particular the use of Section 106 to support the revenue costs arising from these investments has been reviewed. Detailed analysis of legal agreements relating to recent years' projects has been undertaken to estimate the proportion of revenue costs which could be met from this source of external funding. The analysis indicates that in future years an estimated £0.500m of related ongoing maintenance can be funded through the use of Section 106 monies over the period of the two year financial plan. The capital spend

associated with these projects has previously been authorised. It is the revenue spending that now requires authorisation. Any such funding has to be proportionate to the capital works authorised by the legal agreement in the first instance.

- b) The Fees and Charges review for burial and cremation has identified a further option to increase income by 5% over inflation and realise £0.300m.
- c) The CHAMPS services have reviewed a range of reductions of public health activities and through reduced health protection work, campaigns, marketing and commissioning support the budget could reduce by £0.028m.
- d) The relationship between the Council's Capital and Revenue budgets has been reconsidered and there are items which are currently met from revenue which it would be permissible to charge against the Council's capital resources. These include elements of highways maintenance, ICT investments and systems development. This provisioning of these items would allow an estimated £1m of revenue budget to be met from capital resources and reduce the call on revenue funding. The Capital programme is considered elsewhere on this agenda.
- e) All MTFP assumptions have been further reviewed. The Council are recommended to approve the inclusion in the budget the cost of payment of pay increments to staff in 2015/16 only, and that no provision is made for increments in the financial plan for 2016/17. Members will recall that similar decisions in previous years required further consultation with the trade unions and staff. There would be no incremental progression for any employees of the Council (with the exception of any employees who are employed on statutory contracts, i.e. teachers who are centrally employed). All NJC, JNC – HAY, Red Book, Youth Workers –JNC, Soulbury and any other similar terms and conditions which provide for incremental progression would therefore not have any form of incremental progression in 2016/17. This measure would deliver a projected saving of £1.5m in 2016/17. This measure would not apply in schools whose Governing Body controls such matters.
- f) The Council has supported the parishes since the Government replaced Council Tax Benefit with a locally determined Council Tax Reduction Scheme. The funding which Sefton Council receives upon the cessation of Council Tax Benefit has been reduced annually in line with the overall Council reduction in Government funding. The number of claimants has reduced since 2013 and the resulting estimated level of support required in 2015/16 will reduce from £0.120m to £0.094m. The support to parishes is discretionary. The cessation of this discretionary support to parishes from April 2016 leads to an estimated saving of £0.120m based on the 2014/15 payments.
- g) An ongoing review of support for vulnerable children supported by Social Care will identify the scope to renegotiate and achieve service changes and efficiencies. At this stage a budget planning assumption of £0.700m is being made. The review covers the scrutiny of systems, payments and allowances combined with a targeted business model demonstrating systematic reductions in both the number of children entering the system and the types of placements offered. Cabinet will consider specific proposals over the coming months and approve or make recommendation to Council as appropriate.

- h) In summary the new options and budget planning assumptions included in this report are:

Ref	Item	£m	£m
	NEW OPTIONS contained within this report:		
92	Funding revenue consequences of planning approved projects from Section 106	0.500	
93	Increase Cremation and Burial Fees by 5% above inflation	0.300	
52 -	Public Health efficiencies - health protection revised work, campaigns, marketing and commissioning support.	0.028	
95	Funding of highways, ICT and other developments from capital resources	1.000	
96	Staff pay - No incremental progression in 2016/17	1.500	
97a	Remove the discretionary support to Parish Councils for Council Tax Reduction Scheme	0.120	
	Total new/ amended Options contained within this report		3.448
	BUDGET PLANNING ASSUMPTIONS		
97b	Review of services for looked after children	0.700	
98	Management Arrangements	1.300	
99	Contracted transactional services	1.000	
	TOTAL Budget Planning assumptions		3.000

4. Council Tax Income

- 4.1. The Medium Term Financial plan for 2015/16 and 2016/17 does not assume any increase in Council Tax for each of these years. Changes in the assumptions for the rate of Council Tax Collection and the Collection Fund surpluses have been considered and approved by Council on 22 January 2015.
- 4.2. Council should note that every 1% increase generates around £1million. The Government announced its Council Tax referendum rules in December 2014 which indicates that the maximum increase before a referendum is required is 2%. If applied in both years this would generate £4.090m.
- 4.3. The Council at this meeting will consider three options relating to Council Tax for 2015/2016 as part of the Budget determination and also for 2016/17 as part of the two year financial plan:
- a) To freeze the Council Tax and be eligible for the Council Tax Freeze Grant. This will provide funding of **£1.207m** in 2015/2016 and is based on a 1% increase in Council Tax. The Government has indicated that this would be built into the base for future Government funding. No indications have been given regarding

the continuing availability of Council Tax Freeze Grant for 2016/17. This option would reduce the Council Tax base for future years income generation.

- b) To increase Council Tax by 1.99% in each of the two years, i.e. the maximum possible without requiring a referendum in May. This would provide resources of **£4.090m** and this would be built into the Council Tax base. (This is lower than twice the above because of the required adjustment for the Council Tax Reduction Scheme);
- c) Propose an increase above 2% which would require a Referendum. Members would wish to consider that **each 1% increase** in Council Tax would generate an additional **£1.012m** (adjusted for CTRS) assuming current levels of collection and doubtful debt. The estimated cost of holding a referendum would be £200,000.

4.4 **The Cabinet recommend that Council Tax be increased by 1.99% in each of the next two years. This assumption does not predetermine the decision on the actual level of Council Tax for 2016/17 to be taken by Council in March 2016.**

5. Use of one off resources

5.1 The proposals considered to this point in this report are summarised below.

	£m	£m
Budget gap Identified December 2013		54.706
Less Savings approved by Council January 2015		<u>-39.288</u>
Balance to be addressed		15.478
Less considerations in this report:		
Specific new options	-3.448	
Budget planning assumptions	-3.000	
Council Tax increase of 1.99% for next two years	<u>-4.090</u>	<u>-10.538</u>
Balance still remaining to be identified		<u>4.940</u>

As indicated above the specific proposals still leaves a deficit of £4.940m to be identified. At this stage it is not proposed to identify specific options to contribute to this deficit. The Council will continue to plan for the delivery of significant savings from the reviews identified at paragraph 5.2 below and will monitor the MTFP position and assumptions following the General Election in May 2015. A formal review of the MTFP and budget position will take place in the Autumn 2015 during which further action will be taken to eliminate any remaining deficit. **The requirement in 2015/16 for the use of one-off resources is £1.239m.** In order to balance the overall two year financial plan it is proposed that the remaining deficit of £4.940m be held against the reviews outlined below in Para 5.2 and **only** if these reviews and the Autumn Budget Review do not identify timely savings this will need to be met from one-off resources.

5.2 The Cabinet were informed in January 2015 that reviews are being undertaken relating to:

- a) A review of the services commissioned from the Voluntary Community and Faith Sector will identify the risk and impact of reductions in this area. No budget planning assumption will be made until specific proposals have been identified

- b) One of the significant challenges facing the Council going forward is balancing early intervention and prevention with acute services particularly in services to vulnerable children and their families. Work is ongoing to identify the impact of savings in these areas and a budget planning assumption will be identified prior to the budget being set for 2016/17.

5.3 These reviews are complex and the aggregate impact on communities and partners will not be known until the summer. It is anticipated that these reviews will identify significant savings. However at this stage, the Council at this meeting is not recommended to identify a specific budget saving for inclusion the two year plan. It is considered important not to prejudge the outcomes of these reviews.

5.4 The Council is also reminded that the use of one off resources should only occur in setting a robust financial plan when there is a clear short term requirement and that these are not used to avoid making budget savings. The reviews outlined in Paragraph 5.2 are expected to contribute to the budget gap. However setting a level of saving at this stage predetermine the outputs of the reviews and lead to less effective outcomes and sustainable solutions.

6. **SUMMARY**

6.1 The Council is being presented with the two year financial plan as recommended by Cabinet on 5 February. The budgets contained within this report provide Council with the individual years' budgets and the estimated phasing of the financial implications of all the policy changes contained within the two year financial plan.

6.2. A summary of all the budget change proposals and the phasing across the two financial years are given at **Appendix 1**. The details of the individual options, which were considered by Council on 22 January 2015, are available as detailed in the "Impact on Service" at the start of this report.

6.3. The overall Council budget for the general fund services, based on the decisions recommended by Cabinet at 5 February 2015, are attached at **Appendix 2**. The fees and charges which are included in the estimates of income are available for viewing as detailed in the background documents.

	Budget 2015/2016 £	Budget 2016/2017 £
Strategic Management	2,847,200	2,847,200
Performance and Intelligence	1,279,550	919,550
Built Environment	23,195,550	21,800,550
Corporate Services	10,331,250	9,358,250
Health & Wellbeing	26,718,500	24,179,500
Street Scene	14,185,550	13,152,550
Vulnerable People	93,331,300	88,877,300
Young People and Families	56,951,450	55,381,550
Other Services	912,300	912,300
Net Cost of Services	229,752,650	217,428,750
Levies	35,071,750	32,562,600
Other Corporate Items	-7,835,291	-3,534,608
Total Net Expenditure	256,989,109	246,456,742
Specific Government Grants	-19,951,800	-19,951,800
Non-Specific Government Grants	-18,624,750	-21,960,200
Total	218,412,559	204,544,742
Use of Balances	-1,239,000	-4,940,000
Total Budget Requirement	217,173,559	199,604,742

7. Specific Grants

7.1. Dedicated Schools Grant 2015/16 (DSG)

7.1.1 The 2015/16 Dedicated Schools Grant settlement was announced on 17 December 2014 and is based on three main funding blocks. This was broadly in line with expectations as summarised below. There is no inflationary increase in DSG for 2015/16 and the allocation gives the same per pupil amount as in 2010/11.

7.1.2. The Schools Block has increased by £0.627m and this is due largely to two main factors; firstly as a result of the inclusion of The Hawthorne's Free School into the formula and secondly, demographic reductions in the numbers of pupils in Sefton has resulted in a reduction of £1.387m to the Schools Block as a result of significantly lower numbers of pupils in secondary schools.

7.1.3. The Early Years Block now includes pupil premium funding for disadvantaged 3-4 year olds at a rate of £300 per pupil (total £0.221m)

7.1.4. The Council submitted an exceptional business case to the DfE to request additional High Needs funding to recognise the significant growth within the Authority's High Needs Resource Base places and the number of Special school places. This was not successful and the DfE have not funded any growth within the DSG settlement for additional places in 2015/16.

7.1.5 Two year olds will be funded on actual take up from 1 April 2015. Previously this budget has been funded on estimated pupil numbers. This is likely to lead to reduced income from DSG in 2015/16, but at this time of the settlement the budget has not been announced.

The DSG allocation for Sefton is £191.273 as set out in the table below.

Block	2014/15 Revised allocation £m	2015/16 Initial allocation £m	Increase £m
Schools Block	154.312	154.939	0.627
Early Years Block	9.116	9.337	0.221
High Needs Block	26.661	26.945	0.284
Sub-total	190.089	191.221	1.132
Adjustments for non-block funding	3.494	0.052	(3.442)
Grand total	193.583	191.273	(2.310)

7.1.6 Local Authority activity funded from Dedicated Schools Grant

The Council are asked to note that the Dedicated Schools grants funds the following Central functions which are contained within the Schools Block allocation. The combined total of Central funding allocations is fixed at 2012/13 values and no new commitments will be allowed apart from items that change through DfE approval such as national licences etc:

- Contribution to combined services & Misc Expenditure - **£0.289m** (Includes budgets for Professional Development Centre, support of residual grounds maintenance, repair and maintenance and utility costs across Primary, Secondary and Special sectors)
- Co-ordinated admissions scheme - **£0.137m**
- CLA/MPA Licences etc - **£0.112m** (based on 2014/15 levels yet to be determined by the DfE, but expected to be 2/3^{rds} higher in 2015/16 due to the addition of 4 new licences in 2015/16)
- Servicing of the Schools Forum - **£0.062m**
- Capital Expenditure from Revenue - **£0.557m**
- Support for schools facing severe financial difficulties - **£0.200m**

7.2 Special Educational Needs grant - £0.138m

The Department for Education has awarded the Council grant to support the Special Educational Needs of the pupils across Sefton. This grant is a continuation of the 2014/15 grant which has been directed to support the rollout of the Education, Health and Care plans for young people. The Council as asked to approve allocating the grant for this purpose.

7.3 Local reform and Community Voices grant - £0.205m

This is continuation of grant awarded in previous years which supports adult social care. This grant is comprised of three funding streams:

- additional funding for Deprivation of Liberty Safeguards (DOLS);
- additional local Healthwatch funding;
- funding for the transfer of Independent Complaints Advocacy Service (ICAS) to local authorities.

The Council is asked to approve allocating the grant for this purpose.

7.4 New Burdens Funding – Care Act 2014 -£1.937m

This is a new grant which has been introduced to support the introduction of the Care Act 2014 from 2015/16. The resources are intended to provide the necessary social care and support staffing to manage the increased numbers of care assessments, the introduction and expansion of deferred payment arrangements and to implement the associated system changes which the act will require.

The Council is asked to approve allocating the grant for this purpose.

7.5 Social Care in Prisons grant £0.033m

The Council has a new responsibility from 1 April 2015 to support the social care needs of prisoners held in prisons within the Borough. A joint contracting arrangement is proposed which will deliver a joint service with Liverpool which will provide greater efficiency in delivering a specialist service.

The Council is asked to approve allocating the grant for this purpose.

7.6 Improving Adolescent Services £1.1m

The officers have been successful in winning £1.1m specific grant to support the development of new initiatives which aim to reduce the long term costs of supporting adolescents' social care needs by reconfiguring voluntary sector and in house arrangements.

The Council is asked to approve allocating the grant for this purpose.

7.7 Public Health Grant

The Council will be aware that the responsibility for providing public health services to the communities and residents of Sefton transferred to the Local Authority in April 2014. During 2014/15 a complex review has been undertaken to determine how this resource could be best utilised across the Borough to gain maximum benefit to improve health and wellbeing outcomes for our communities. During the year areas of greater integration have been identified and the 2015/16 and 2016/17 reflect these improvements to co-locate services and outcomes within the Council infrastructure to deliver the best value for money.

The entire grant for 2015/16 and the estimated grant for 2016/17 is budgeted to be used to support the Council's Health and Well-being Strategy and will continue to be monitored through the Health and Well-being Board. The Public Health grant will be dedicated to supporting the health and well-being strategy of the Council and is a key component of the Council's priorities for its communities and residents.

7.8 Welfare Reform £0.486m

The Government has announced since the main settlement an additional resource to fund the ongoing support for Welfare Reform and in particular the services which support the continuation of the support for people facing hardship. The budget in 2013/14 and 2014/15 was supported by time limited specific grant. The additional allocation of £0.486m will allow the Council to continue with its support for Emergency assistance and supporting the voluntary sector to provide food banks, white goods and other community based provisions.

The Council is asked to approve allocating the resources for this purpose.

8. **Conclusion**

- 8.1. This report is the final stage in the preparation of the two year budget plan. It builds on the already approved budget cuts and provides an approach to balancing the forecast budget gap of £55m. This approach leaves a £5m gap for which no specific options have been provided and which will be covered by reserves and balances if required.
- 8.2 The Council is requested to consider for approval the final budget plan and Council Tax increase. Subject to this approval detailed implementation plans will be prepared for the major savings areas and progress towards delivering the savings will be closely monitored and managed.
- 8.3 **Whilst the setting of any budget is an important milestone for the Council, there remains a significant degree of uncertainty around the future funding for local government. Initial policy statements from all major political parties indicate a requirement for ongoing austerity measures and reduction in local government spending.** Following the General Election in May the position should become clearer. It will therefore be necessary for the Council to keep the Budget Plan under review and if appropriate amend it in the light of changes to local and national policy and the financial outlook.

Improvements in Efficient and Effective Use of Resources

<u>Ref</u>	<u>Service Area</u>	<u>Efficiency</u>	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
1	Registration Service	Increased income as result of increased service activity	54	0	54
2	Community Equip't	Improved efficiency	72	0	72
3	Burials and Cremations Service	Increased income as result of increased service activity	390	0	390
4	Catering Services	Increased income as result of increased service activity	66	0	66
5	Commercial Waste Skips Services	Increased income as result of increased service activity	45	0	45
6	Coroners	Shared service agreed cost reduction due to completion of mortgage	24	0	24
7	Commissioning	Decrease in non-staffing expenditure	36	0	36
8	Sefton Care Line and Sefton Securities	Increased income as result of increased service activity	238	0	238
9	Home Improvements DFG	Re-profiling the allocation of costs and increasing the level of recharges	10	0	10
10	SEN 0-4 Inclusion Funding	Improved efficiency	12	0	12
11	Procurement	Reduction in non-staffing expenditure	16	0	16
12	Member's Allowances	Reduce the budget provision for Members Allowances –as agreed by the Council on 5 July 2012	35	0	35
13	Learning Support - LAC	Reduction in the LA budget	10	0	10
14	Complementary Education	Removal of vacant posts from the establishment	51	0	51
15	Education Psychology	Spend to be directed to DSG High Needs Funding	25	0	25
16	SEN Assessments & Monitoring	Spend to be directed to DSG High Needs Funding	36	0	36

17	DCATCH	The scheme has already closed to new pupils, saving reflects cohorts of pupils completing the programme	15	15	30
18	LEA playing fields maintenance	Improved efficiency in maintenance scheme	52	0	52
19	Finance	Reduced debt management charges	390	0	390
20	Health Protection and Infection Control	Efficiency following re-procurement of service to allow resources to be focused on core health and well-being strategy activities	52	0	52
21	Civic Services	Civic Services (Attendants) – Voluntary Redundancy	20	0	20
22	Tourism	Revised estimate following policy decision	27	0	27
23	Trading Standards	Deletion of vacant post and reduction in supplies / services	114	0	114
24	Democratic Services	Voluntary reduction in support staff hours	14	0	14
25	General inflation provision	Remove general inflation provision set in MTFP at 2%. This will require all services to deliver general efficiency in the delivery of all services	2,180	2,180	4,360
26	Additional public health grant	Direct the increase in the public health grant to support the ongoing delivery of the Council's Health and Well Being strategy priorities.	544	0	544
27	Levies	Merseyside Waste and Recycling Authority and the Integrated Mersey Transport Authority have been requested to support the Council by finding 10% efficiency savings in setting their budgets for 2015/16/17	1,700	2,000	3,700
28 (part)	Review of previous budget assumptions and implications of previous budget decision	The estimates of the financial implications of all budget decisions have been reviewed in the light of implementation of options and subsequent changes in service demand. The original Medium Term Financial Plan can be revised to take account of this updated information.	901	-60	841

28 (part)	Day Care	Day Care Review	250	750	1,000
28b	Reduced accommodation costs	Lease on Houghton Street	76	0	76
29	Adult Social Care	Social care services will be required to contain net demographic growth within existing budgets for the duration of the plan. The figure has been adjusted to reflect Cabinet's previous decision relating to the underachievement of the services 2014/15 budget savings requirement. This assumption will need to be kept under close scrutiny to ensure deliverability	3,000	0	3,000
		Total Efficiency Savings	10,455	4,885	15,340

Options for consultation and preparation by Officers

Most Vulnerable

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
30	Children With Disability Service	Continue with the development of, and implement, new eligibility criteria	0	315	315
31	Domiciliary Care	Further explore the use of adaptations, equipment and Assistive Technology Reduce the number of hours, number of calls, or number of carers utilised, where this is appropriate Work in partnership with the voluntary/community sector to facilitate the development and utilisation of low-level alternative/preventative community services Explore more outcome-focused commissioning	0	1,560	1,560
			0	1,875	1,875

Core

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u>	<u>Proposed Budget Net Reduction 2016/2017</u>	<u>Total Proposed Budget Net Reduction</u>
			<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
32	Street Cleansing	Further expand the use of electric vehicles and reduce the number of cleansing operatives delivering a manual service	360	0	360
33	Highways Infrastructure	To continue for a further 2 years the reduction of £800k which was introduced as an annual saving in previous years	800	0	800
		Reduction in Highways Maintenance programmes to focus on preventative, critical and high risk works'	160	0	160
34	Street Lighting Energy	Invest to save in lighting columns and bulbs to allow reduced hours of lighting.	0	530	530
35	Libraries	Review of operation and management of libraries including bookfund and opening times	200	70	270
Total			1,520	600	2,120

Community Resilience

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u>	<u>Proposed Budget Net Reduction 2016/2017</u>	<u>Total Proposed Budget Net Reduction</u>
			<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
36	Aiming High	Continue with the development of, and implement, new eligibility criteria Review and potential cessation of funding for some activities	0	400	400
37	Housing Standards	Reduction in housing enforcement services including cessation of corporate illegal traveller sites co-ordination	40	20	60
38	Supported Living	Alternative and more efficient ways of meeting assessed care needs	0	1,800	1,800
39	Neighbourhoods	Reduction and re-prioritisation of activity	150	0	150
			190	2,220	2,410

Economy & Environment

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u>	<u>Proposed Budget Net Reduction 2016/2017</u>	<u>Total Proposed Budget Net Reduction</u>
			<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
40	Planning	Realign and reduce revenue budgets – including consultancy budgets	72	0	72
41	Planning	Increase in income across parts of the service Development Management, Building Control, and Technical Support [land charges] in light of economic forecast	130	0	130
42	Trading Standards	General reduction in enforcement activity. Limit resident service request response	55	0	55

43	EEMS (Energy and Environment)	Reduction in Carbon reduction service and community energy service	42	42	84
44	Parks Maintenance	Botanic Gardens shop Closure	15	30	45
45		Increase allotment fees by an average of £10 per full size plot in 2016/17 and again in 2017/18. Rates per full size plot will increase to £96 by 17/18	0	20	20
46		The recharging of the cost of statutory checks to sports pavilions and repairs and maintenance of sports pavilions and associated hard infrastructure to sports users.	15	0	15
47		Further Changes in Style and Standards of Parks Management	80	64	144
48		Reduction in GM Contracts	60	0	60
49	Coast	Reduction to visitor and site management activities. Extension to the length of the life guard contract on reduced terms. Car-parking income charges	75	75	150
			544	231	775

Health & Wellbeing

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
50	Environmental Health	Reduction in front line environmental health regulatory services. Reduction in pest control services but retain full rat control service	200	170	370

51	School Health	Re-specify/re-commission the healthy Child programme for the whole 0-19 age range to allow resources to be focused on the health and well-being strategy activities	0	260	260
53	Sports Leisure	Review and Restructure Management/Administration/ Operations including deletion of Service Manager post Retender direct debit collection Reduce agency payments Energy efficiency	470	0	470
			670	430	1,100

Running the Council

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
54	Adult Assessments	An end to end review of assessment and review policies, procedures and processes within Adult Social Care.	0	300	300
55	Client Contribution	Restructuring and integrating the above service with the specialist Substance Misuse Housing and Welfare Rights Team	54	0	54
56	Commissioning	Reduction of the Commissioning Service staffing	0	144	144
57	Attendance Welfare Service	Improved administration of legal procedures. Reduced eligibility for service interventions. Increase income	50	142	192
58	Youth Offending Team	Merge services and potential to reduce management capacity	120	0	120

59	Outreach Respite Recovery	Restructure the delivery team	96	0	96
60	Locality Assessment	Redesign of Common Assessment Framework team Implement a stronger Lead Practitioner model Implementation of electronic –common assessment framework (E-CAF)	72	60	132
61	School Standards and Effectiveness	Reduction in the Local Authority support provided to schools which are not in receipt of statutory intervention, requiring improvement or are assessed at risk of being less than good	60	0	60
62	Schools Regulatory Services	An end to end review of activity, policies, procedures and processes.	60	0	60
63	14-19 Services	Changes to commissioning arrangements for Information, Advice & Guidance	80	40	120
64	Children's administrative support	Service redesign	43	20	63
65	Highway management, development, design and safety.	Changes to charges Service reorganisations	170	130	300
66	Parking	Review of service and charging regimes	180	367	547
67	Property Management	Closure and disposal of operational properties	60	0	60
68	FCERM (Flood and Coastal Erosion Risk Management)	Reduction in service, Reduced response times Reduction in works delivery	82	0	82
69	Regulatory Services Support	Reduction in administrative support due to changes in working practices and increase to online services	24	0	24

70	Public Conveniences	Closure of all public conveniences	60	14	74
71	Bulky Items	Increasing collection charge from £7.50 to £10 per collection	48	0	48
72	Arts	Review management and opening times at the Atkinson	120	120	240
73	Sports Leisure-Active Sports	Increase in income due to increased charges and new programmes	84	0	84
74	Sports Leisure Aquatics	Maximise pool time at Meadows offering more swimming lessons to meet demand	36	0	36
75	Public Health	Internal restructure to reflect the need to strengthen the influencing role of the team, and reduced need for commissioning capacity to allow resources to be focused on health and well-being strategy activities	316	100	416
76	Corporate Communications Team	Deletion of vacant posts and Team restructure	104	100	204
77	Transformation	Reduction of Transformation resource	0	75	75
78	Legal Services	Restructure of the legal management department Removal of the Monitoring Officer's budget.	134	0	134
79	Finance & ICT Services	Restructuring Finance and ICT services after implementation of new financial system in 2015 Reduce ICT, printing and telephone costs in line with general Council reductions	0 0	500 190	500 190
80	Learning & Development	Reduction in activity associated with learning and development	80	108	188
81	Personnel	Reduction in Personnel resource and efficiency savings	100	0	100
86	Business Intelligence & Performance	Re-structure	0	360	360
87	Public Health	Reduction in funding for commissioned	50	0	50

		intelligence work to allow resources to be focused on health and well-being strategy activities			
88	Catering	To increase the charge for each meal by 10p in September 2015 (start of the school term) and by a further 10p from September 2016	200	250	450
89	Building Cleaning	To increase fees and charges to schools	70	0	70
90	Commercial Waste	To increase fees and charges	10	0	10
91	Tourism	Additional income from events	13	0	13
			2,576	3,020	5,596

Community Resilience

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
82	Housing Related Support	Further decommissioning and re-commissioning of funded services in accordance with the approved Commissioning Intentions and Priorities	0	900	900
			0	900	900

Health & Wellbeing

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
83	Integrated Wellness	Integration of Lifestyle services	1,500	1,549	3,049
84	Substance Misuse	Reduction in Substance Misuse spend	300	440	740
85	Affordable Warmth	Cessation of SEARCH scheme and Easier Breathing Project	54	0	54
			1,854	1,989	3,843
			7,354	11,265	18,619

New Options

<u>Ref</u>	<u>Service Area</u>	<u>Option</u>	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
92		Funding revenue consequences of planning projects from Section 106	500	0	500
93		Increase Cremation and Burial Fees by 5% above inflation	150	150	300
52 - revised		Review of the CHAMPS service - improved commissioning across Merseyside; reduced social marketing activity and reduction in support for health protection.	28	0	28
95		Funding of highways, ICT and other developments from capital resources	1,000	0	1,000
96		Staff pay - No incremental progression in 2016/17	0	1,500	1,500
97		Remove the discretionary support to Parish Councils for Council Tax Reduction Scheme	25	95	120
			1,703	1,745	3,448

Budget Planning**Assumptions**

<u>Ref</u>	<u>Service Area</u>	<u>Efficiency</u>	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
97		Review of services for vulnerable children	350	350	700
98		Management Arrangements	300	1,000	1,300
99		Contracted transactional services	0	1,000	1,000
100		VCF / Advocacy			0
101		Early Help			0
			650	2,350	3,000

	<u>Appendix 2</u>
<u>School Name</u>	<u>School budget</u> <u>2015-16</u>
Total Formula Funding Levels - Schools 2015/16 (Excl PPG)	154,409,410
<u>PRIMARY PHASE</u>	
LINACRE PRIMARY SCHOOL	781,016
NETHERTON MOSS PRIMARY	740,838
THE GRANGE PRIMARY SCHOOL	955,977
BIRKDALE PRIMARY SCHOOL	1,301,102
CHURCHTOWN PRIMARY SCHOOL	2,911,584
FARNBOROUGH ROAD JUNIOR	1,673,933
FARNBOROUGH RD INFANTS SCHOOL	1,308,096
LINAKER PRIMARY SCHOOL	1,751,709
Norwood Primary School	1,572,620
MARSHSIDE PRIMARY SCHOOL	665,370
KEW WOODS PRIMARY SCHOOL	1,416,548
Aintree Davenhill Primary School	1,453,025
HUDSON PRIMARY SCHOOL	489,691
WATERLOO PRIMARY SCHOOL	1,511,265
FOREFIELD JUNIOR SCHOOL	1,312,031
FOREFIELD COMMUNITY INFANT AND NURSERY SCHOOL	995,452
LANDER ROAD PRIMARY	931,066
Litherland Moss Primary	788,004
Hatton Hill Primary School	1,329,751
NORTHWAY PRIMARY	997,672
WOODLANDS PRIMARY SCHOOL	1,146,545
SUMMERHILL COUNTY PRIMARY	788,861
FRESHFIELD COUNTY PRIMARY	809,523
GREEN PARK PRIMARY SCHOOL	

	752,596
REDGATE C.P SCHOOL	632,087
Kings Meadow Primary	720,057
LARKFIELD PRIMARY SCHOOL	1,171,286
SHORESIDE PRIMARY SCHOOL	810,687
Melling Primary School	828,340
VALEWOOD PRIMARY SCHOOL	827,607
LYDIATE PRIMARY SCHOOL	1,041,770
BEDFORD PR	1,804,520
CHRIST CHURCH CE PRIMARY	1,289,703
ST JOHN'S C OF E PRIMARY	687,861
ST ANDREWS MAGHULL C.E.	1,223,874
ST LUKES C.E. PRIMARY SCHOOL	1,469,108
ST PHILIP'S PRIMARY SCHOOL	794,343
ST OSWALD'S C.E. PRIMARY SCHOOL	898,045
HOLY TRINITY C of E PRIMARY SCHOOL	924,735
ST PHILIPS C.E PRIMARY SCHOOL	815,674
AINSDALE C.E. PRIMARY SCHOOL.	807,655
ST MONICA'S CATHOLIC PRIMARY	1,514,903
ST ROBERT BELLARMINE PRIMARY	819,649
HOLY SPIRIT CATHOLIC PRIMARY SCHOOL	815,139
Holy Family Catholic Primary	829,931
OUR LADY OF LOURDES PRIMARY	1,814,342
ST TERESA'S CATHOLIC INFANT/NURSERY	407,819
ST PATRICK'S R.C PRIMARY	1,226,918
ST THOMAS C.E. SCHOOL	773,282
ST JOHN'S C. E. PRIMARY SCHOOL	724,295
ST LUKES C.E. HALSALL PRIMARY	815,895
St Nicholas	

	795,797
ST GEORGES CATHOLIC PRIMARY SCHOOL	685,042
Great Crosby Catholic Primary	2,148,230
ST MARY'S R C PRIMARY SCHOOL	454,295
St Edmunds & St Thomas' Catholic Primary School	1,140,576
O L STAR OF THE SEA PRIMARY	713,203
OUR LADY OF COMPASSION SCHOOL	843,730
English Martyrs Primary School	1,517,170
ST ELIZABETH'S CATH PRIMARY	1,281,800
ST WILLIAM OF YORK	836,691
OUR LADY QUEEN OF PEACE CATHOLIC PRIMARY	512,799
ST. GREGORY'S PRIMARY SCHOOL	767,195
URSULINE CATHOLIC PRIMARY SCH	1,504,818
ST. JEROME'S	797,992
HOLY ROSARY PRIMARY SCHOOL	1,461,871
ST JOHN BOSCO R C PRIMARY	779,128
BISHOP DAVID SHEPPARD	933,399
SPRINGWELL PARK PRIMARY SCHOOL	1,433,429
Thomas Gray Primary School	954,646
TRINITY ST PETER'S CE SCHOOL	792,255
ST BENEDICT'S CATHOLIC PRIMARY	837,092
OUR LADY OF WALSINGHAM PRIMARY	844,361
All Saints Catholic Primary School	1,295,665
Rimrose Hope CE Primary	1,211,444
	79,416,427
<u>SECONDARY PHASE</u>	
STANLEY HIGH SPORTS COLLEGE	3,696,444
HILLSIDE HIGH SCHOOL	4,928,360

LITHERLAND HIGH SCHOOL	4,305,075
Meols Cop High School	3,854,745
Savio Salesian College	3,059,306
MARICOURT CATHOLIC HIGH SCHOOL	5,587,120
SACRED HEART CATHOLIC COLLEGE	5,089,743
HOLY FAMILY CATHOLIC HIGH	2,835,150
St Ambrose Barlow Catholic College	2,250,889
CHRIST THE KING	4,650,261
	40,257,094
<u>ACADEMIES</u>	
DEYES HIGH SCHOOL	5,295,093
FORMBY HIGH SCHOOL	3,804,512
Chesterfield High School	4,861,369
RANGE HIGH SCHOOL	4,321,805
BIRKDALE HIGH SCHOOL	3,433,519
Greenbank High School	4,287,541
MAGHULL HIGH SCHOOL	4,224,631
The Hawthorne's Free School	1,934,366
ST MICHAEL'S CHURCH OF ENGLAND ACADEMY SCHOOL	2,573,054
	34,735,889