

8 February 2017		ITEM: 11 (Decision 01104404)
Cabinet		
Council Spending Review – Draft General Fund Budget		
Wards and communities affected: All	Key Decision: Yes	
Report of: Councillor Shane Hebb, Portfolio Holder for Finance & Legal		
Accountable Head of Service: Sean Clark, Director of Finance and IT		
Accountable Director: Sean Clark, Director of Finance and IT		
This report is Public		

Executive Summary

This report sets out the draft budget proposals for a balanced budget for the financial year 2017/18.

This paper has been produced based on the principles established via the Council Spending Review (CSR) process, which has been in place since June 2016. The ambition is to create a budget which works for all Thurrock residents; which builds financial resilience into the council's spending and borrowing abilities, and has a bottom-up approach to service review over the forthcoming three years.

In May 2016, Cabinet assumed the Medium Term Financial Strategy (MTFS) which held a pressure of £10m.

Cabinet considered a report on 7 September 2016 that amended the Medium Term Financial Strategy (MTFS) in light of changes to business rates and inflation assumptions. This demonstrated a base budget pressure of circa £10m, a net increase of £0.1m. A further £0.420m pressure was added to the base budget through the administration reviewing and recommending a phased increase to the General Fund balance to increase the reserves to £9.26m over the next three years based on a review of current risks.

The Cabinet instructed officers to bring forward savings in excess of the MTFS forecast to give Members choice around further investment initiatives.

Cabinet agreed a 3 month pilot in 2016 of its Clean It, Cut It, Fill It initiative which completed at the end of October 2016, and met considerable praise from the Thurrock people. At its meeting on 14 December 2016, Cabinet agreed to extend the trial pilot until the end of that financial year. This proposed budget report includes a new allocation of £1m per annum to mainstream Clean It, Cut It, Fill It into

future budget provision from 1 April 2017. It is through achieving more savings than the MTFS set out, that this was able to be facilitated and managed financially.

The September 2016 report then set out the Council Spending Review (CSR) move towards commercialism and greater efficiencies through four main streams: income generation; more or the same for less; reducing the MTFS growth through greater demand management; and a comprehensive service review programme over a three year time period of all council services.

The new Transformation Programme approach is managed through a number of strategic Boards, all of which is overseen by the Transformation Board. The proposals for the MTFS in 2017/18, set out in this report, have been considered by the relevant Overview and Scrutiny Committees over recent weeks. The main feedback from these proposals are around the practical deliverability of some and comments on the Adult Social Care precept. Both of these are commented on in the main body of the report.

The report presented to Cabinet on 11 January 2017 presented a proposed balanced budget for the financial year 2017/18. This report has subsequently been considered by Corporate Overview and Scrutiny at its meeting on 11 January 2017 and the committee's comments are included in the main body of the report where applicable.

1 Recommendation(s)

1.1 That Cabinet recommends that Council, following engagement from Corporate Overview & Scrutiny and Council Spending Review forums:

1.1.1 Agrees a 3% council tax increase for the Adult Social Care precept; and

1.1.2 Agrees a 1.98% general council tax increase;

1.2 That the Cabinet note the inclusion of £1m in the 2017/18 base budget for making permanent Thurrock Council's Clean It, Cut it, Fill It programme following success through the 2016/17 pilot;

1.3 That the Cabinet note that growth of £5.4m has been built into Children's Social Care budget for 2017/18;

1.4 That the Cabinet note that should the 3% ASC precept be agreed that, along with the Adult Social care Support Grant, there will be £2.4m additional funding allocated to Adult Social Care;

1.5 That the Cabinet give direction on any allocation to the CAB; and

1.6 That the Cabinet note the council tax base and collection fund balances and allocations, set out in section 7 of the report.

2 Introduction and Background

- 2.1 The Council must, by law, set its annual revenue budget and associated Council Tax level by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax level at its meeting on 22 February 2017, Members should be aware that the council will not have a legal budget and this will impact on service delivery and cashflow with immediate effect whilst damaging the council's reputation and can as a last resort lead to intervention from the Secretary of State under powers given by section 15 of Local Government Act 1999.
- 2.2 The Council Spending Review (CSR) process, as agreed by Cabinet on 7 September 2016, has facilitated monthly meetings with Group Leaders and Deputy Leaders from the three main parties. Reports for all Cabinet, Council and Overview & Scrutiny Committee meetings have been presented to the CSR forum to afford an opportunity to raise questions and challenges.
- 2.3 The same series of reports have been considered by the Cabinet and Overview and Scrutiny Committees on the general fund budget process and proposals, including fees and charges.
- 2.4 This report considers all of these proposals along with:
- the grant position announced in December;
 - the recommended council tax increases;
 - the collection fund balances; and
 - the council tax base – all key components that forms the council's "budget envelope".

3 2016/17 Budget Position

- 3.1 Members have received reports throughout the year that have set out the ongoing pressures in Children's Services and the financial impact of the Clean It, Cut It, Fill It pilot. The reports have also set out the mitigation that has been taken to deliver a balanced budget position for the financial year 2016/17.
- 3.2 Work continues on finalising these projections and identifying further mitigation where required. The impact of the ongoing pressures have been built into the base budget for 2017/18, most noticeably the previously reported balance in Children's Social Care of £4.7m (plus a further £0.7m as set out in paragraph 5.2).

4 Council Tax Proposals

- 4.1 As reported last year, Thurrock Council has the third lowest council tax and council tax income of the 55 Unitary Councils in the country and the lowest council tax in Essex. This low base means that financially Thurrock Council has less resource to deliver the same suite of services, irrespective of

demographic need, and limits any increase through the Adult Social Care precept.

4.2 The council has faced grant reductions since 2011 and these continue into 2017/18 with a reduction of £6m and further reductions planned over the medium term reinforcing the need to increase the council tax income. The Chancellor of the Exchequer's final Autumn Statement did not adversely affect the council's forecasted reductions any further.

4.3 There are two elements to the council tax that need to be considered:

- The general increase – this is capped at 2% and is only on the element of the council tax that does not include the ASC precept element. Due to rounding requirements, the maximum increase in 2017/18 equates to 1.98% and this is the recommendation contained within this report; and
- The Adult Social Care (ASC) Precept – this precept was announced in December 2015 and allowed councils to add an additional increase to the council tax of up to 2% per annum for the four financial years 2016/17 to 2019/20. The Council agreed a 2% ASC precept for 2016/17. In December 2016, the government announced a change to the remaining three years. Whilst 6% remains as an overall cap, councils now have the ability to charge up to 3% for each of the next two years, effectively bringing forward the ability to provide earlier funding for ASC to meet increasing demands on services and to protect the most vulnerable in the borough. This flexibility provides the council with three specific options:
 - A 3% precept for each of the next two years and no increase in year three;
 - A 3% precept in year one, 2% in year two and 1% in year three; or
 - A 2% precept in each of the next three years.

4.4 There is an urgent need for immediate increases to the ASC budget to meet the increased costs of the minimum wage and demand pressures as the population continues to live longer with more complex needs. The National Living Wage increase over 2 years that the council will have to meet represent an equivalent 12%. The council has faced considerable challenges with the domiciliary care providers which is a national trend. There is an urgent need to try to stabilise this market to ensure that the council can provide high quality services to vulnerable adults.

4.5 Financial projections demonstrate that the impact of the 3rd option above in 4.3 would provide an additional fund of £19k over the 3 years compared to the first option. However, it is strongly advised, based on the immediate financial pressures that are being faced by the ASC service in the current financial year, that a 3% increase in 2017/18 be agreed.

4.6 The Corporate Overview and Scrutiny Committee considered the 3 options on the ASC precept at its meeting on 18 January 2017 There was a clear

consensus from the Committee to support a 3% increase in 2017/18 with a majority also supporting a 3% rise in year two as well, although no vote was taken on either part.

- 4.7 The combined increase on a Band D property equates to 4.89% or £57.15 (£1.10 per week). As 71% of Thurrock properties are Bands A-C, the weekly impact is less than £1 per week but raises an additional £2.9m in income:

Band	2016/17	2017/18	Increase £	
	£	£	Per Year	Per week
A	779.64	817.74	38.10	0.73
B	909.58	954.03	44.45	0.85
C	1,039.52	1,090.32	50.80	0.98
D	1,169.46	1,226.61	57.15	1.10
E	1,429.34	1,499.19	69.85	1.34
F	1,689.22	1,771.77	82.55	1.59
G	1,949.10	2,044.35	95.25	1.83
H	2,338.92	2,453.22	114.30	2.20

5 Impact on Services of the Proposed 2017/18 Budget

- 5.1 The savings proposals included in this and previous reports largely concentrate on services generating additional income and expenditure efficiencies through contracts, centralisation of property management and additional staffing costs such as agency numbers. Direct impact on frontline services is limited but the efficiencies above could have an effect if not properly managed, as could be expected
- 5.2 Members should be aware that there is, however, £2.5m of savings previously agreed over a range of services to be delivered in 2017/18 and these are included in appendix 1.
- 5.3 Headlines include growth in the following three areas:
- Environment – after the successful pilot of Clean It, Cut It, Fill It, £1m has been included within these budget proposals to build this into the base budget to continue this initiative on a permanent basis;
 - Children’s Social Care – Children’s Social Care has seen considerable budget and service pressures in recent years and these have been regularly reported to both Cabinet and Overview and Scrutiny Committee. The need to moving CSC to a financially stable service has been a key focus for the Council and some of the plans enacted to move the service with significant financial structural challenges to a more financially resilient position over the next two years are set out below:
 - The Cabinet observe a Fewer Buildings, Better Services ethos – for example, Children Centre reform will reduce costs while reaching out to more families; and

- These proposals include rebasing the budget with an additional £4.7m and a further increase of £0.7m in line with the advice from iMPower, the consultants that have been working with the service over recent months. The impact of this work will take time to have a full impact whilst early intervention measures take effect and the financial trajectory indicates increased resource for the next two financial years, though at a reduced level than previous years, before starting to see reductions in 2019/20.
 - Adults' Social Care – A 3% ASC precept will realise circa £1.7m and the government has reallocated New Homes Bonus nationally to create a one off ASC Support Grant – Thurrock will receive circa £0.7m creating a budget injection of £2.4m in 2017/18.
- 5.4 When considering the Local Council Tax Scheme (LCTS) on 25 January 2017, there was a recommendation that, should the proposals be accepted, £50k of the additional income be allocated to the CAB on receipt of a suitable business case. As only one of the relevant proposals was accepted, the additional income raised is £40k and so Cabinet's views on an allocation to the CAB is sought.
- 5.5 In addition, Cabinet implemented a thorough review of the external risks to the council's financial position, and its ability to serve its residents, in a time of challenge in the medium term future. Consequently, Cabinet agreed to support an increase to the General Fund Balance from £8m to £9.26m over a three year period after a revision of risks that includes increases in demand against reductions in resources. As such, an annual contribution of £0.42m is accounted for.
- 5.6 As well as the service efficiencies previously agreed in the budget process of 2014/15 (appendix 1), service budgets will be amended accordingly to reflect the proposals set out in appendix 2.
- 5.7 Corporate Overview and Scrutiny Committee challenged on the deliverability on a number of the proposed efficiencies, agency costs included. Assurances were given that there are now more stringent monitoring processes in place, are now owned by the relevant Board and that rather than just a target, the budget will be removed from the services from 1 April.
- 5.8 Should any changes be made to this budget that results in a budget that no longer balances, further savings will need to be identified. Options are likely to be in the areas where growth is identified but not yet committed:
- Reduction to the £1m investment in the Environment; or
 - Reductions to the growth allocations to Adults' and Children's social care.
- 5.9 A summarised schedule of movements from the Medium Term Financial Strategy budget gap reported to council in February 2016 to this proposed budget is included at appendix 3.

5.10 The draft budget envelopes for services for 2017/18 are as follows:

	£'000
Adults, Housing and Health	34,409
Children's Services	32,629
Environment and Place	23,836
Finance & IT	9,494
Human Resources and Organisational Development	7,762
Legal Services	2,228
Commercial Services	557
Central Expenses	4,233
Recharges	2,185
Specific Grants	(573)
Service Budget Total	116,760
Levies	566
Capital Financing	(4,249)
Net Expenditure	113,078
<i>Financed by:</i>	
Revenue Support Grant	(14,660)
NNDR	(34,481)
New Homes Bonus	(3,531)
Collection Fund Balances	1,218
To be funded through Council Tax	(61,625)

6 Medium Term Financial Strategy

- 6.1 The Council Spending Review has also identified proposed efficiencies for future years and, key to this, is the paced work required around the service reviews. Though progress has been made towards meeting outstanding financial pressures, there is further work to do to achieve and maintain a balanced budget from 2018/19 onwards though considerable progress has already been made.
- 6.2 The council continues to work on future financial sustainability models and options and these will be reported back to Members for scrutiny over the coming months.

7 Determination of the Council Tax Base and Collection Fund Balances

- 7.1 The Council Tax Base is the number of Band D equivalent properties that are within Thurrock. Charges to all properties that are not a Band D are based on a Band D charge – for instance, a Band A property is two thirds of a charge whilst a Band H property is two times the charge. As such, one Band H property is the equivalent of two Band D properties.

- 7.2 Where discounts for students, single persons and Local Council Tax are due, the Band D equivalents are reduced by these discounts and then by a further 1% to reflect non-collection.
- 7.3 As this is a factual calculation at a point in time, the calculation and agreement of this was delegated to the Director of Finance and IT. For 2017/18, the council tax base is set at 50,287 against a total amount of properties in the borough of 66,539.
- 7.4 A further delegation to the Director of Finance and IT are the calculations of the council tax and business rates collection fund balances. The collection fund is the account where all council tax and business rate income is set against the amounts paid out through precepts – the amounts to be paid to the Police and Fire authorities as well as the council itself. A surplus means more is due to be collected than paid out and this surplus is treated as additional income in the forthcoming year. Adversely, a deficit is treated as a cost. Surpluses and deficits are then allocated to the main precepting bodies.
- 7.5 The Council Tax collection fund has an estimated surplus of £662,862 and is allocated as follows:
- Thurrock Council £557,993;
 - Essex Police Authority £72,575; and
 - Essex Fire Authority £32,294.
- 7.6 The NNDR collection fund has an estimated deficit, in the main caused by the high level of appeals, of £3,617,709 and is allocated as follows:
- Thurrock Council £1,772,677;
 - Central Government £1,808,855; and
 - Essex Fire Authority £36,177.
- 7.7 These balances have been built into the 2017/18 budget.

8 Issues, Options and Analysis of Options

- 8.1 The council and elected Members have no option but to set a balanced budget and plan to do so for the future, and have a legal responsibility to do so
- 8.2 There are a number of proposals appended to this report to achieve this and front line services have been protected as much as possible.
- 8.3 There are options as to whether to agree the growth as allocated although this is restricted for Adults' Social care that is largely ringfenced.

9 Reasons for Recommendation

- 9.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the proposals to deliver a balanced budget in 2017/18.

10 Consultation (including Overview and Scrutiny, if applicable)

- 10.1 The proposals appended to this report have been presented to the relevant Overview and Scrutiny Committee and been discussed in detail at a number of officer Boards including the Directors' Board and Transformation Board.
- 10.2 Papers have also been presented to the Council Spending Review group.

11 Impact on corporate policies, priorities, performance and community impact

- 11.1 The implementation of previous savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. The potential impact on the Council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.
- 11.2 These proposals include growth for both of these areas as well as increasing the budget for the Environment service.

12 Implications

12.1 Financial

Implications verified by: **Sean Clark**
Director of Finance and IT

Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. With the need to become financially self-sustainable the approach taken this year to concentrate on a more commercial attitude is set out in this report.

The proposals also include growth for the demand led services of Adults' and Children's social care whilst also including an additional £1m to enhance the cleanliness of the borough.

The General Fund Balance has been maintained at £8m over recent years. The target level has been revised to £9.26m and these proposals include a new budgeted contribution of £0.420m per annum for three years to meet this level.

12.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Law & Governance

There are no direct legal implications arising from this report.

There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget. The Local Government Finance Act 1988 (Section 114) prescribes that the responsible financial officer "must make a report if he considers that a decision has been made or is about to be made involving expenditure which is unlawful or which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the authority". This includes an unbalanced budget.

12.3 **Diversity and Equality**

Implications verified by: **Becky Price**
Community Development and Equalities

There are no specific diversity and equalities implications as part of this report. Equality and Community Impact Assessments have been completed for specific proposals where required e.g. implications of the new approach in the Customer Services Strategy subject to agreement.

12.4 **Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)**

Any other significant implications will be identified in any business cases for a proposal and consultation where required.

13 **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- There are a number of working papers within the Corporate Finance section;
- Various background and supporting documentation will be held within the relevant services; and
- The Boards will hold background to their proposals.

14 **Appendices to the report**

- Appendix 1 – Previously Agreed Savings
- Appendix 2 – Income and Savings Proposals
- Appendix 3 – Summary of MTFS Movements

Report Author:

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Finance and IT

PREVIOUSLY AGREED SAVINGS

Adults, Housing and Health

Cabinet Lead	Description	Target
Cllr Sue Little	External Placements	500
Cllr Halden	Public health – review of contracts	250
Cllr MacPherson	Reduction in Voluntary Sector Core Grants	25
Total		775

Childrens Services

Cabinet Lead	Description	Target
Cllr Sue Little	Reduce and realign youth provision across Thurrock and related service through internal reorganisation and developing the services as a mutual/ outsourced service	232
Total		232

Environment & Place

Cabinet Lead	Description	Target
Cllr Brian Little	Transportation restructure and highways efficiencies	250
Cllr Brian Little	Invest in modern highway maintenance	260
Cllr Coxshall	Planning - increased income and/or efficiencies	35
Cllr Coxshall	CEDU Restructure - Regeneration	300
Total		845

PREVIOUSLY AGREED SAVINGS**Legal Services**

Cabinet Lead	Description	Target
Cllr Hebb	Legal traded service income	50
Total		50

Finance & IT

Cabinet Lead	Description	Target
Cllr Hebb	Further changes to staffing levels and revisions of prudential charges	582
Total		582

Total		2,484
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INCOME AND SAVINGS PROPOSALS

Reference	Board	Proposal	2017/18	Comments
PROC-2017-01	Procurement	Adult Care Placements (18-65 age group) – Review of placement costs against care plans.	100	Review of placement costs (MH, PD, LD) against care plans. This is in addition to the existing savings target underway for Placements.
PROC-2017-02	Procurement	Parking – service brought in house. There will be initial set up costs in 2016/17 but new service should realise savings from 2017/18	75	End of Serco Parking Processing contract – service brought in-house. There will be set up costs initially (in 16/17) will realise savings from 17/18
PROC-2017-03	Procurement	Home to School Transport (Education budget)	25	Savings from rationalising demand and sharing vehicles.
PROC-2017-04	Procurement	Waste disposal contract negotiations	25	Savings from contract extension will be sought.
PROC-2017-05	Procurement	ICT Category – Achievable savings on main contracts and rationalisation of smaller ones	110	Achievable savings on main contracts and rationalisation of smaller ones
PROC-2017-06	Procurement	Insurance – modest savings secured through renegotiation of existing contract	30	Modest savings to be secured through renegotiation at extension or through re-procurement.
PROC-2017-07	Procurement	Creative use of Purchase Cards – savings from a reduction of 2 FTE plus rebate from supplier	55	Savings from reduction of 2 FTE from Creditors Team 17/18 plus £10K annual estimated rebate from RBS (£5K in year 1). Additional savings will be secured by better low value contract management and less maverick spend.
PROC-2017-08	Procurement	Overpayment Review – use of specialist no-win, no fee consultants to identify overpayments to contracts	100	One off saving in 2017/18 through use of consultants to identify overpayments on contracts. Payment by results. Successful with other Councils and on CCS Framework.
PROC-2017-09	Procurement	Review of Translation and Interpretation Services – procurement exercise to improve consistency via a framework agreement at an agreed price. Future council literature will be documented in English only.	20	Procurement of formal contract and some reduction in spend (keeping interpretation and statutory translation requirements)

INCOME AND SAVINGS PROPOSALS

Reference	Board	Proposal	2017/18	Comments
PROC-2017-10	Procurement	Reduction of Consultancy Spend	300	Reduce consultancy spend across the organisation
PROC-2017-11	Procurement	Contract Management	100	Savings delivered through more effective contract management
COMM-2017-01	Commercial	WiFi/Small Cell & Rooftop Concession contract – Tender documents issued 23/9 target date for contract award Jan 2017	75	As per soft market test £750k over 10 years
COMM-2017-02	Commercial	Counter Fraud & Investigation – expansion of traded services	150	Creation of a commercial vehicle
COMM-2017-03	Commercial	Trade Waste Year on Year Growth	75	Development of the trade waste service
COMM-2017-05	Commercial	Maximise use of external funding opportunities	40	Make more effective use of external funding opportunities
COMM-2017-06	Commercial	Further income from advertising/ sponsorship/ filming including roundabouts	20	Further Income opportunities from advertising / sponsorship & filming
COMM-2017-07	Commercial	Trading grounds maintenance services	40	This is a separate item to traded services to schools to reflect the fact that other services could also be traded
COMM-2017-08	Commercial	IT – expansion of traded services	30	Exploring market to identify non-school prospects for broadband. First school telephony pilot almost complete – now reviewing and prioritising other schools (targeting 5 sign ups in 2017/18).

INCOME AND SAVINGS PROPOSALS

Reference	Board	Proposal	2017/18	Comments
COMM-2017-09	Commercial	Fees & Charges	250	No further growth due to £750k being realised since 16/17
COMM-2017-10	Commercial	Full year impact of long term treasury investments made in 2016/17.	350	Full year effect of existing investments
CUST-2017-01	Customer & Demand Management	Customer Services Strategy	100	Savings from channel migration and digital enabling a reduction in resources required for face-to-face contact.
DIGI-2017-02	ICT / Digital	Citizen Journeys - Enable citizens and customers to do business with the council digitally	30	Productivity savings across all services £30k in 2017/18 through Thurrock Online - Revs and Bens. Remainder to be allocated
DIGI-2017-03	ICT / Digital	Legacy Digital Programmes - Ongoing benefits realisation from completed projects	100	Property Rationalisation and Productivity Savings across Services in 17/18 Productivity Savings across Services from 18/19
PEOP-2017-01	People	Agency staff – reduce use of high cost agency staff through recruitment and retention initiatives and service/workforce re-engineering	400	Reduce the use of high cost agency staff through recruitment and retention initiatives and service/workforce re-engineering
PEOP-2017-02	People	Sickness Absence – reduce overtime and agency costs through effective attendance management	100	Reduce overtime and agency costs through effective attendance management
PEOP-2017-04	People	Review of overtime spend – currently at £1.5m	200	Manage overtime spend across the council
PROP-2017-01	Property	Rental income stretch target - Annual 5% increase in rent roll (excluding Purfleet Centre)	50	Annual 5% increase in rent roll (excluding Purfleet Centre)
PROP-2017-02	Property	Further letting income – from Civic Offices 1 (rent and service charge)	50	Allow for slow build up of occupation. Figure shown includes rent and s/c.

INCOME AND SAVINGS PROPOSALS

Reference	Board	Proposal	2017/18	Comments
PROP-2017-03	Property	Further letting income – Thameside Centre (rent and service charge)	30	Letting income potentially limited by nature of space but further work on a more commercial approach ongoing
PROP-2017-04	Property	Relocation of YOS from Corringham Police Station	50	Saving will fall in first year and not be repeated. Likely to be accrued within Children's Services
PROP-2017-05	Property	Corporate Landlord ie centralised maintenance and management of all corporate assets – 10% reduction in running costs through economies of scale	25	Corporate Landlord programme is underway. Libraries have transferred already and Children's estate now being audited. Savings and income opportunities highly likely but cannot be accurately quantified until estate is better understood.
PROP-2017-06	Property	Corporate Landlord – Additional income target	25	Additional income target through the Corporate Landlord model
PROP-2017-07	Property	Facilities Review	175	Review the impact of the running of operational properties under the Corporate Landlord model
PROP-2017-08	Property	Street Lighting efficiencies – LED replacement programme – savings through energy efficiency and maintenance	430	LED replacement programme - savings through energy efficiency and maintenance
SERV-2017-01	Service Review	Libraries	80	The service review will examine options for a comprehensive library service as part of an integrated approach to the provision of community facilities in the Borough.
SERV-2017-02	Service Review	Children's Service business admin - reorganisation of service offer	130	The current business support does not currently meet the requirements of a more integrated children's service so the changes will deliver a more bespoke model of support and bring further efficiencies.
SERV-2017-03	Service Review	Adult Social Care - Fieldwork Services	100	We are maintaining the austerity measures we introduced during 2016/17 pending the full review of the fieldwork service. This includes only recruiting to essential posts and the centralisation of non-staffing

INCOME AND SAVINGS PROPOSALS

Reference	Board	Proposal	2017/18	Comments
				budgets.
SERV-2017-04	Service Review	ASC Commissioning (voluntary sector)	97	We are reviewing our entire voluntary sector grants and contracts budget to identify savings on those groups / projects that were either time limited or have a lower priority.
SERV-2017-05	Service Review	Private Rented Sector - HMOs, condition etc	45	In line with the report that was submitted to Housing Scrutiny in December 2016 the definition of an HMO has been extended and so this gives the Council a potential increased income stream.
SERV-2017-06	Service Review	Debt collection	55	Debt collection is currently carried out in a number of sections throughout the authority. The service review is likely to recommend an integrated approach that will save on FTE but, more importantly, create a more cohesive approach to working with our residents on managing debt issues and pressures.
SERV-2017-07	Service Review	HR & Payroll & OD	30	HR, Payroll and OD services are currently focused on delivering mainly internal services, with some schools buying payroll. The service review has identified opportunities to realign resources, and increasing the use of digital systems to provide the capacity to offer a range of services externally – this will include HR advice and support, training programmes and payroll services.
SERV-2017-08	Service Review	Corporate Programme Team	20	The service review will identify current FTE vacancies in conjunction with similar skilled employees that may be currently deployed within other Services to eradicate duplication of roles. Plus, evaluate the potential for the cross-selling of existing project/programme delivery skills externally and develop plans to maximise this opportunity.
SERV-2017-09	Service Review	Customer Services	20	Additional savings from the implementation of the Customer Service Strategy above and focus on channel shift/digital reducing resources required overall.

SUMMARY OF MTFs MOVEMENTS

	2017/18	
	£000s	
Opening Estimated Deficit	9,976	
Base budget pressure 2016/17	206	
Future savings agreed during 2014/15	(2,484)	
Children's full year savings from 2016/17 mitigation	(1,200)	
Council Tax base adjustment	(590)	This relates to the increase in Band D properties – a council tax increase of 3.99% is included in the opening balance
Reduction to employment budget growth	(200)	A reduction in the provision for the pay award and increments post review
Income generation (Commercial)	(1,030)	See appendix
Property/asset rationalisation (Property)	(835)	See appendix
Procurement/contracts (Procurement)	(940)	See appendix
Efficiencies/transformation (Digital & ICT)	(130)	See appendix
Efficiencies/transformation (Customer)	(100)	See appendix
Efficiencies/transformation (People)	(700)	See appendix
Sub-total	1,973	
Target reduction in growth allocation (currently £3.5m)	(1,700)	The remaining £1.8m allocated to ASC £1.1m in line with 2% precept and £0.7m allocated to Children's Social care in line with iMPower recommendation
Efficiencies/transformation (Service Reviews)	(577)	See appendix
Contribution to increased GF Balance	420	As per Cabinet recommendation
Working Balance deficit/(surplus)	116	
Environmental investment	1,000	Clean It, Cut It, Fill It
Revised deficit/(surplus)	1,116	
Capitalise part of MRP budget to meet GF balances contribution	(420)	This meets the principle of only budgeting for the approach of capitalising MRP for items that are not ongoing base budget pressures
Revised Treasury projections	(500)	Ongoing low interest rates, investment returns and a reduction in the MRP budget
Reduction to Transformation Budget	(200)	A reduction to the provision made to meet ongoing costs – licenses etc – of transformation projects
Additional Income from LCTS	(40)	As per Council on 25 January 2017
Total deficit/(surplus)	(44)	