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**Meeting of the Select Committee on Health and Adult Social Care**  
**– 17th January 2008**

**Joint Report of the Director of Adult, Community and Housing Services and the Director of Finance**

**Revenue Budget Strategy 2008/09**

**Purpose of Report**

1. Subject to approval by the Cabinet at its meeting on 9<sup>th</sup> January 2008, to consult the Select Committee on the proposed Revenue Budget Strategy for 2008/09 and Medium Term Financial Strategy 2008/09 - 2010/11.

**Background**

2. At its meeting on 12<sup>th</sup> December 2007, the Cabinet considered the Government's Revenue support Grant proposals for 2008/09 - 2010/11, and at its meeting on 9<sup>th</sup> January 2008 is proposing a preliminary budget strategy for further consultation, including consultation with Select Committees, in accordance with the Constitution. In framing their responses to these budget proposals, Select Committees have been asked to consider both the spending and funding implications (including the impact on Council Tax) of any observations they may wish to make.
3. In formulating the Council's Budget Strategy and tax levels for 2008/09, Members will need to consider carefully:
  - (a) the levels of Government support allocated to the Council and Ministerial statements about potential "capping levels";
  - (b) spending pressures, opportunities to free up resources (including efficiency savings) and Council Plan priorities;
  - (c) the implications of spending levels in later years as part of the Council's medium term financial plan;
  - (d) the views of consultees;
  - (e) the external factors and risks inherent in the Strategy;
  - (f) the impact on Council Tax payers, and particularly balancing what needs to be spent to provide services with what it is reasonable to ask local Council Tax payers to pay.
4. When the Revenue Budget and Council Tax for 2007/08 was approved, the Council endorsed a Medium Term Financial Strategy (MTFS) which highlighted gaps between resources and spending levels in 2008/09 and later years and which said it would be necessary to continue to:

- (a) review spending and resource forecasts on an ongoing basis;
- (b) review spending priorities and the allocation of resources in line with Council Plan priorities;
- (c) seek further efficiency and other savings, although the scope for this is becoming more and more limited;
- (d) seek opportunities for additional external funding;
- (e) take action to replenish General Balances;
- (f) review risks and uncertainties and other relevant factors;
- (g) set appropriate levels of Council Tax.

5. The following assumptions concerning specific areas of risk and uncertainty were identified in the 2007/08 Budget Strategy and MTFS.

- (a) *No further increase in the number of looked after children who are placed outside the borough, and the development of alternative approaches for their social care and education.*

In the event there have been further increases in numbers of looked after children during 2007, particularly those placed out of borough and fostered, and it has not been possible to fully offset these costs by developing alternative approaches, as reported to Cabinet in September. There have also been increased home to school transport costs, including budgeted savings which have not been achieved. The ongoing impact of these issues where relevant is reflected in the pressures identified later in this report.

- (b) *Single Status costs are no more than estimated, and the costs of any backdating can be capitalised. This will depend on getting a "direction" from the Government, against a background of a limited overall allocation and competing demands from other Councils and is by no means certain.*

The final costs of Single Status and Equal Pay Back Pay (EPBP) still remain uncertain. A capitalisation direction of £22m was received in respect of Equal Pay Back Pay in 2006/07, and a further direction of £16m in the current year - a total of £38m. Provision has been made for the total ongoing costs of Single Status and EPBP, but this will be subject to review when revised pay and grading structures and back pay levels have been agreed with the workforce.

- (c) *Local Authority Business Growth Incentive (LABGI) income is forthcoming as assumed. There is no guarantee of any income, and the LABGI scheme itself may not be extended after 2007/08.*

The Government has announced as part of the 2007 Comprehensive Spending Review (CSR) that LABGI will not continue in its current form after 2007/08, but will be replaced by a new scheme from 2009/10 onwards - though with a substantial reduction in the sums distributed. Details of this scheme are still awaited, and no assumption is being made in the figures set out below concerning income from this scheme. It is anticipated that income from the final

year of the current scheme in 2007/08 will match that assumed in the current MTFS but this is by no means certain.

- (d) *The increasing demand for more intensive home care packages and the management of home care waiting lists can be met from within existing budget levels.*

Pressures in this area have been contained within existing budgets for 2007/08.

- (e) *Energy cost inflation does not materially exceed forecast rates when contracts are renewed.*

Energy contracts for 2007/8 were negotiated within forecast allowances, but markets continue to be volatile and this remains a significant risk area.

- (f) *General levels of inflation and interest rates to not vary materially from current forecasts.*

Headline measures of general inflation, particularly RPI, have so far exceeded forecasts in 2007/08. However, pay inflation has not exceeded forecasts for 2007/08 and other cost increases have been contained within budgets. The Council's Treasury Management Strategy aims to reduce exposure to adverse interest rate changes; higher than expected treasury income in 2007/08 has helped offset other cost pressures as reported to September Cabinet.

- (g) *There will be no other unplanned expenditure - or shortfalls in income - which cannot be met from reserves.*

As previously reported, additional pressures in Community Safety, loss of funding streams for Marketing and Communications and additional costs of the Comprehensive Performance Assessment process have led to an overspend on Chief Executive's services in 2007/08. Action has been taken to reduce the ongoing impact of the increased costs.

Also, there is currently a potential commitment in respect of the Leaps and Bounds project for which a number of bids have been made for external funding. Although it is anticipated that the cost will be covered from external funding sources, if external funding bids are unsuccessful or if external funding is insufficient, there is a risk that all or part of this cost will fall on the Council's resources.

Additional costs in DUE in 2007/08 - mainly additional Waste Disposal costs - have been met from other Directorate resources. The ongoing impact of increasing Waste Disposal costs is considered below.

- (h) *RSG funding increases in line with forecasts, and capping criteria remain in line with current indications.*

Details of the provisional RSG Settlement for 2008/09 - 2010/11 are set out below.

## The Council's Current Financial Position

6. The latest Revenue Budget Monitoring information shows that there are no further forecast variances from budget other than those reported to September Cabinet and built into the revised budget for 2007/08.
7. The effect of the 2007/08 estimated outturn on the Council's General Balances is, therefore:

	<b>£m</b>
Balance Brought Forward 1 <sup>st</sup> April 2007	11.5
(Revised) Budgeted use 2007/08	-6.9
<b>Estimated General Balances at 31st March 2008</b>	<b>4.6</b>

In accordance with the MTFs, action has been taken to increase the levels of General Balances to support spending in future years (see paragraph 11).

## Provisional Revenue Support Grant (RSG) Settlement 2008/09 - 2010/11

8. Details of the Provisional RSG Settlement were reported to the Cabinet at its meeting on 12<sup>th</sup> December 2007. Dudley's provisional Formula Grant (RSG & NNDR) for 2008/09 - 2010/11 will increase faster than national averages. It will however remain substantially lower than would be the case in the absence of "damping", whilst the national settlement overall does not fully reflect the significant cost pressures being faced by Councils - particularly in the areas of Adult Care and Waste.
9. In his statement to the House of Commons when announcing the provisional RSG settlement, the Minister made the following comments in relation to capping.

*"Keeping council tax under control remains a priority for the Government. We expect the average council tax increase in England to be substantially below 5%. We will not hesitate to use our capping powers as necessary to protect council tax payers from excessive increases."*

## Public Consultation

10. As part of the ongoing consultation process to inform Budget and Council Tax proposals, the Council undertook a further public consultation exercise during September and October, using the Citizens Panel and the Internet. Details of the responses are shown at Appendix C. There were a total of over 1200 responses and the results can be summarised as:
  - (a) over 90% of respondents thought overall spending on Council services should stay the same or be increased;
  - (b) almost half thought that the Council Tax increase should be more than inflation if necessary to maintain and increase spending on important services.

## Review of Reserves

11. As paragraph 4 says, the existing MTFs includes reference to the need to take action to replenish General Balances. Following a thorough review of earmarked reserves, the following amounts will be transferred to General Balances at 31st March 2008 and would, therefore, be available to support spending in 2008/09 and later years:

	<b>£m</b>	<b>£m</b>
Estimated General Balances at 31.3.08 (as above)		4.6
- Insurance Reserve	2.0	
- Directorate Reserves	1.0	3.0
<b>Total Estimated General Balances available at 31<sup>st</sup> March 2008</b>		<b>7.6</b>

12. It would not be unreasonable to expect future reviews of reserves to generate up to a further £3m of General Balances over the period of the MTFs, making around £10.6m available to support revenue budgets.

## Base Budget Forecasts 2008/09 - 2010/11

13. Details of Base Budget Forecasts for the next three years are set out below.

	<b>2008/09 £m</b>	<b>2009/10 £m</b>	<b>2010/11 £m</b>
2007/08 Base	208.6	208.6	208.6
Transfers of Funding to RSG (see para 14)	5.9	5.8	5.8
Transfers of Funding to ABG (see para 15)	14.6	21.4	20.6
Pay Inflation at about 2.5%	3.4	7.1	10.9
Price Inflation at (generally) 2%	2.3	4.2	6.1
Capital Programme	1.2	2.2	3.2
Other Adjustments	-0.1	0.8	1.0
<b>Base Budget Forecasts</b>	<b>235.9</b>	<b>250.1</b>	<b>256.2</b>
<b>% increase year-on-year (adjusted)</b>	<b>+ 3.2%</b>	<b>+ 3.2%</b>	<b>+ 2.8%</b>

14. A number of existing specific grants will be included in RSG from 2008/09 onwards, in particular Access and Systems Capacity, Delayed Discharges, Children's Services, and Waste Performance & Efficiency. In addition there have been a number of minor transfers of functions to/from Councils which are reflected in the figures.
15. Also, several specific grants have been pooled into a new Area Based Grant (ABG) from 2008/09 onwards as follows.

	<b>£m</b>
Safer Stronger Communities	0.340
Cohesion & Preventing Extremism	0.226
Working Neighbourhoods (replacing Neighbourhood Renewal)	1.103
<b>Total Chief Executive's</b>	<b>1.669</b>
Carers	1.150
Preserved Rights	1.549
Other Adult Care	2.466
<b>Total Adult, Community &amp; Housing</b>	<b>5.165</b>
Connexions	3.031
Children's Fund	0.724
Extended Schools Start Up	0.676
Other Children's & Schools	2.929
<b>Total Children's</b>	<b>7.360</b>
De-trunking	0.249
Other Highways and Travel	0.137
<b>Total Urban Environment</b>	<b>0.386</b>
<b>Total ABG 2008/09</b>	<b><u>14.580</u></b>

From 2009/10, Supporting People Grant of £6.5m will also be included in ABG, and the underlying level of grant will vary along with the individual funding streams.

16. Although the funding streams contributing to ABG largely result from specific Government initiatives, the grant is not ring-fenced and is intended to be a general grant in support of Councils' total revenue expenditure. Officers are currently reviewing existing grant-funded spending programmes, including commitments into 2008/09 and later years, and a further detailed report on ABG will be presented to the February meeting of Cabinet.

#### Additional Spending

17. Having reviewed existing budgets in the light of Council Plan Priorities, and taking account of additional legislative requirements, desirable developments and service pressures, and public consultation, the following package of additional spending over the next three years (including items provisionally agreed as part of the 2007/08 strategy) is proposed:

	2008/09 £'000	2009/10 £'000	2010/11 £'000	Main Council Plan Themes Supported
<b><u>Urban Environment</u></b>				
• Green Waste pressures	618	618	618	Environment
• Increased Waste Disposal Costs inc. Landfill Tax	440	590	740	Environment
• Highway and environmental improvements	300	300	300	Environment
• Dudley Town Centre regeneration	140	140	140	Regeneration
• Lighting Column replacement programme	120	120	120	Environment
• Other initiatives inc. park improvements	310	320	330	Environment
• Support for LAA targets	218	218		Regeneration
<b>Total – Urban Environment</b>	<b>2146</b>	<b>2306</b>	<b>2248</b>	
<b><u>Children’s Services</u></b>				
• Ongoing pressures mainly due to further increases in the number of looked after children. Includes invest to save initiatives in 2008/09 and 2009/10 which will reduce pressures from 2010/11 onwards.	3,000	3,000	2,000	Caring
• School Improvement Partners & other initiatives.	407	407	407	Learning / Caring
<b>Total – Children’s Services</b>	<b>3407</b>	<b>3407</b>	<b>2407</b>	
<b><u>Adult, Community and Housing</u></b>				
• Increased Residential and nursing fees.	300	600	900	Caring
• Increasing number of elderly clients with dementia.	392	619	935	Caring
• Increasing numbers of Adults with learning difficulties.	1900	3500	4000	Caring Regeneration
• Neighbourhood Management Costs.	100	100	100	Regeneration
• Support for LAA targets.	265	265		Environment /
• Increased provision for DFGs and other initiatives.	300	300	300	Caring
<b>Total - DACHS</b>	<b>3257</b>	<b>5384</b>	<b>6235</b>	
<b><u>Chief Executive’s</u></b>				
• Increased support to Black Country Consortium	100	100	100	Regeneration
• Support to DCVS		60	60	Quality Service
<b>Total – Chief Executive’s</b>	<b>100</b>	<b>160</b>	<b>160</b>	
<b>Total Proposed Growth</b>	<b>8910</b>	<b>11257</b>	<b>11050</b>	

#### Efficiency and Other Savings

18. Following a detailed budget review process, which considered the need to redirect resources to the spending pressures and priorities set out in paragraph 17, a range of efficiency and other savings (including items provisionally agreed as part of the 2007/08 strategy) have been identified from existing budgets. Details are set out at Appendix B and summarised in the following table:

	2008/09 £m	2009/10 £m	2010/11 £m
Finance, ICT & Procurement	274	799	1137
Chief Executive's	200	200	200
Law and Property	136	356	549
Urban Environment	198	723	723
Adult, Community and Housing	1600	1600	1920
Children's Services	799	828	828
	<b>3207</b>	<b>4506</b>	<b>5357</b>

19. The 2007 Comprehensive Spending Review set all public services a target of achieving at least 3% net cash-releasing value for money gains per annum over the period 2008/09 to 2010/11. Unlike previous years, there are no specific targets for individual local authorities. The Chief Executive and Directors are currently reviewing the Authority's approach to the efficiency agenda and will report back in due course.

#### Summary

20. The following table summarises the budget proposals for 2008/09 - 2010/11:

	2008/09 £m	2009/10 £m	2010/11 £m
Base Budget Forecast	235.9	250.1	256.2
Council Plan Priorities & Pressures	8.9	11.3	11.1
Efficiency & Other Savings	-3.2	-4.5	-5.4
<b>Service Spend</b>	<b>241.6</b>	<b>256.9</b>	<b>261.9</b>
Area Based Grant	(14.6)	(21.4)	(20.6)
Use of Balances	(6.0)	(4.6)	-
<b>Budget Requirement</b>	<b>221.0</b>	<b>230.9</b>	<b>241.3</b>

An analysis of the resulting service expenditure for 2008/09 of £241.6m, showing how this compares with the current year's base budget is shown at Appendix A and an Analysis of Provisional 2008/09 Budget by Division of Service is shown at Appendix D.

21. Based on the provisional RSG Settlement, and preliminary estimates of the 2008/09 Council Tax Base and Collection Fund Surplus, a Budget Requirement of £221.0m would imply a Council Tax increase of under 5% for 2008/09. This is subject to a number of issues, including the risks and external factors set out in paragraph 23.
22. It should be noted that at this stage, the budget forecasts and resource levels set out in this report for 2008/09 are based on a number of provisional figures and preliminary estimates, which may change prior to the final setting of the budget and Council Tax, namely:
- (i) RSG figures are provisional and will not be finalised until the end of January 2008.

- (ii) The actual levels of the PTA levy still need to be formally determined.

### Estimates, Assumptions & Risk Analysis

23. In addition, the proposals in this report are based on a number of estimates, assumptions and professional judgements, which may need to be reviewed and amended either before the budget and Council Tax for 2008/09 is set, during the course of that year, or indeed over the term of the MTFS. These may lead to further increases in expenditure and, therefore, the need to identify alternative funding sources, and include:
- (a) Single Status costs are no more than estimated, and the costs of all Equal Pay Back Pay, including that relating to Schools, can be capitalised.
  - (b) LABGI income is forthcoming as assumed.
  - (c) general levels of inflation, including energy cost inflation, and interest rates do not vary materially from current forecasts;
  - (d) there will be no other unplanned expenditure - or shortfalls in income - which cannot be met from reserves;
  - (e) income from fees, charges and other sources, including airport Company dividends, are maintained in accordance with current projections;
  - (f) demographic pressures, particularly as they affect services to adults and children, are no greater than currently assumed and estimated;
  - (g) the volume of waste arisings, and the costs of disposal, are no greater than currently assumed and estimated;
  - (h) PTA spending levels, and hence the levy, in 2009/10 and 2010/11 are not adversely affected by the ongoing implications of a decision by the Department of Transport Adjudicator in relation to the reimbursement of concessionary fares to operators - about which Centro are in the process of a Judicial Review.

### Medium Term Financial Strategy

24. Decisions about spending, funding and council tax levels in any one year need to be made in the context of the Medium Term Financial Strategy (MTFS), recognising that, as paragraph 23 says, medium term projections need to be reviewed and revised on a regular basis.
25. With regard to 2009/10 and 2010/11, having taken into account:
- expenditure forecasts as set out above;
  - the risks and uncertainties set out in paragraph 23;
  - the notified levels of Government support;
  - the potential to generate further balances;

it will be necessary to generate further efficiency and other savings, in addition to those set out in paragraph 18, to ensure Council Tax increases are within capping

limits and at politically acceptable levels. Any further increased spending pressures will, of course, either increase the level of savings required or further increase the charge on local tax payers.

26. In order to ensure that the Council can properly manage its financial affairs over the medium term, the strategy must therefore be to continue to:
- (a) ensure spending in the remainder of 2007/08 and in 2008/09 is managed within approved budget levels;
  - (b) review spending priorities and the allocation of resources in line with Council Plan priorities;
  - (c) seek further efficiency and other savings;
  - (d) maximise opportunities for additional external funding;
  - (e) take action to replenish General Balances;
  - (f) review risks and uncertainties and any other relevant factors.

Implications for services covered by the Terms of Reference of this Select Committee

27. The next 3 years will again present challenges for Adult Social Care in meeting the expectations of both Central Government and the residents of the Borough. In addition to meeting the impact of changes in funding and the provision for pay and prices, a number of significant pressures have been identified for which additional net funding has been allocated in each of the next 3 years.
28. Independent Sector Residential/Nursing Home Costs  
These additional resources of £0.3m in each of the next 3 years are necessary to ensure the continued effectiveness and sustainability of the sector and to assist in maintaining and improving current standards.
29. Increase in Aged Population and Rates of Dementia  
The increase in the elderly population for the over 80's is expected to rise significantly over the next three years. One in six people within this age group have dementia and, therefore, will be likely to require Social Care Services. This increase in funding in each of the next 3 years will ensure that appropriate services will be available as the demand increases.
30. Learning Disability  
Learning Disability services are generally expensive because of the nature of the needs they seek to meet. The additional funding identified for each of the next 3 years will pay for the care costs of on average 12 clients per year in either residential or supported living together with the full year effect of those placed in 2007/08.
31. Mental Health Act  
Additional resources are necessary to ensure that the requirements of the Mental Health Act 2007 as previously considered by the committee, can be addressed. In particular this additional investment will be used to support advocacy and new assessment processes.

32. Disabled Facilities Grants

This funding will be used to allow an increased capital investment of £2m for the provision of disabled facility grants.

33. Efficiencies and other savings for 2008/09 comprise the following items:-

Cost pressures identified previously are being addressed through efficiency savings, modernisation of services and redirections of existing resources to front-line care. The following initiatives have been taken to generate resources for redirection.

- The removal of the subsidy for meals currently received by meals on wheels clients will generate gains of £0.250m in 2008/09 with additional savings in subsequent years. This policy is combined with private sector provision being promoted within the borough thus increasing client choice.
- The Extra care Housing Initiative will enable us to better care for the elderly in accommodation, which provides them with a better quality of life. The phased closure of two additional residential homes during the next three years, alongside the opening of a number of extra care housing schemes will generate efficiency gains of £0.075m in 2008/09 rising to £0.560m in 2010/11.
- Increased levels of income of £0.200m are expected in the 2008/09 year as a result of a continued phasing out of protection on assessed charges for clients receiving care at home.
- The use of £0.150m in 2008/09 of supporting people grant to fund older people receiving care at home will free up resources to meet other budget pressures.
- As a result of some service reconfiguration to meet the needs of clients with the greatest dependency, together with increased contributions from the PCT will see gains of £0.150m being achieved in 2008/09 rising to £0.250m by 2001/11.
- Following the merging of functions of the former Housing and Social Services Directorates and modernisation of day services cost savings of £0.150m in 2008/09 rising to £0.250m in 2010/11 can be achieved. A one off savings target of £0.398m has been included for 2008/09 only which will be achieved through additional turnover being built into non front line staff budgets and also the funding from capital of some staff costs related to work supporting the implementation of disabled facilities grants.
- The transfer of home care provision from Local Authority provided care into the independent sector will generate efficiency savings with no loss of contact hours for the clients and help meet increased resources required in each of the next 3 years in readiness to support the likely redistribution of care hours between provider agencies, in order to drive up cost effective quality standards.

Consultation

34. Details of public consultation already undertaken are set out in paragraph 10 above.

35. The Council is required by law to consult with representatives of Business Ratepayers before the final budget and Council Tax are agreed, and this will be scheduled to take place in February before the Cabinet recommends a final budget.

### **Finance**

36. This report is financial in nature and relevant information is contained within the body of the report.

### **Law**

37. The Council's budget setting process is governed by the Local Government Finance Acts 1988 and 1992 and the Local Government Act 2003.

38. The Local Government Act 2003 requires the Director of Finance to report on the robustness of estimates made for the purpose of final budget calculations, and the adequacy of the proposed financial reserves and this will be included in the final budget report.

39. The Local Government Finance Act 1992 gives the Secretary of State power to determine that an authority's Budget Requirement is excessive. This may result in "designation" (possibly leading to recalculation of the Budget Requirement and Rebilling) or "nomination" which either pre-sets a Budget Requirement limit for a future year or a notional budget for the current year against which future years' Budget requirements will be measured for capping purposes.

40. As set out in paragraph 9, the Minister for Local Government had already indicated when announcing the provisional RSG Settlement:

*"We expect the average council tax increase in England to be substantially below 5%. We will not hesitate to use our capping powers as necessary to protect council tax payers from excessive increases."*

A further letter to Local Authority Leaders states:

*"No decisions have been taken on capping principles for 2008/09. It would, however, be unwise for any authority to assume that capping principles set in previous years will be repeated."*

and

*"In previous years Ministers have written a reminder about the risks of capping to individual authorities which, on the basis of public information, appear to be heading for high council tax increases. I do not intend to do that this year. The decisions are yours and the Government has set out very clearly the context in which you must make those decisions."*

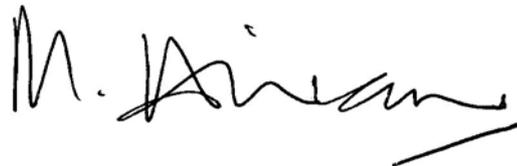
### **Equality Impact**

41. These proposals comply with the Council's policy on Equality and Diversity, as far as it is possible within existing and future resource levels.
42. With regard to Children and Young People:

- The proposed budget for the Directorate of Children's Services (including the additional spending detailed) will be spent wholly on maintaining and improving services for children and young people. The expenditure of other Directorates' budgets will also have a significant impact on this group.
- All members of the public, including children and young people, had the opportunity to take part in the Internet consultation to inform the proposals in this report.
- There has been no specific involvement of children and young people in developing the proposals in this report.

### **Recommendations**

43. That, subject to approval by the Cabinet at its meeting on 9th January 2008, the Select Committee:
- (a) considers the Cabinet's Revenue Budget Strategy proposals for 2008/09 and Medium Term Financial Strategy for 2008/09 - 2010/11;
  - (b) identifies both spending and funding implications (including the impact upon Council Tax) of any observations the Select Committee wishes to make.

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Linda Sanders  
Director of Adult, Community  
and Housing Services

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Mike Williams  
Director of Finance

Contact Officers: Bill Baker  
Telephone: 01384 814802  
Email: [bill.baker@dudley.gov.uk](mailto:bill.baker@dudley.gov.uk)

John Everson  
Telephone: 01384 814806  
Email: [john.everson@dudley.gov.uk](mailto:john.everson@dudley.gov.uk)

**List of Background Papers**  
Provisional RSG Settlement (DCLG website)

Appendix A

<b>Service</b>	<b>2007/08 Base Budget (*)</b>	<b>Transfers of Funding to RSG &amp; ABG</b>	<b>Inflation, Capital Programme, etc.</b>	<b>Budget Increase Proposals</b>	<b>Budget Reduction Proposals</b>	<b>2008/09 Proposed Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Children's</b>	50.4	8.4	1.2	3.4	-0.8	<b>62.6</b>
<b>Adult, Community &amp; Housing</b>	76.7	9.6	2.7	3.3	-1.6	<b>90.7</b>
<b>Urban Environment</b>	47.9	0.8	1.4	2.1	-0.2	<b>52.0</b>
<b>Finance, ICT and Procurement</b>	19.6		0.2		-0.3	<b>19.5</b>
<b>Chief Executive's</b>	12.2	1.7	1.2	0.1	-0.2	<b>15.0</b>
<b>Law &amp; Property</b>	1.8		0.1		-0.1	<b>1.8</b>
<b>Toal Service Spend</b>	<b>208.6</b>	<b>20.5</b>	<b>6.8</b>	<b>8.9</b>	<b>-3.2</b>	<b>241.6</b>

(\*) Adjusted to reflect transfers of services between directorates, and other accounting changes.

## Appendix B

### EFFICIENCY AND OTHER SAVINGS

	2008/09 £'000	2009/10 £'000	2010/11 £'000
<b><u>Finance</u></b>			
• Revised Staffing Arrangements	199	213	266
• Efficiency Savings from Homeworking.		50	125
• Effect of Revised Zoo Governance Arrangements.		250	250
• Review of DC+ Operations.		200	400
• Other savings and efficiencies inc. Benefits Shop Relocation*	75	86	96
	<b>274</b>	<b>799</b>	<b>1137</b>
<b><u>Chief Executive's</u></b>			
• Revised PCSO Funding Arrangements	150	150	150
• Other Savings and Efficiencies*	50	50	50
	<b>200</b>	<b>200</b>	<b>200</b>
<b><u>Law and Property</u></b>			
• Increased Delegations – Efficiency Savings	30	72	92
• Revised Staffing Arrangements	25	67	109
• Increased Income	6	27	63
• Property Related Savings inc. Rates	60	85	105
• Other Savings and Efficiencies*	15	105	180
	<b>136</b>	<b>356</b>	<b>549</b>
<b><u>DUE</u></b>			
• Review of Leisure Facilities.		297	297
• Revised Staffing Arrangements*	148	376	376
• Other savings and Efficiencies	50	50	50
	<b>198</b>	<b>723</b>	<b>723</b>
<b><u>Adult, Community and Housing</u></b>			
• Revised Meals on Wheels Provision	250	350	400
• Further development of Extra Care Housing provision	75	280	560
• Update Community Care charging policy.	200	200	200
• Transfer to Supporting People grant funding	150	150	150
• Reconfigure Equipment & Occupational Therapy service.	150	250	250
• Other Savings and Efficiencies.	775	370	360
	<b>1600</b>	<b>1600</b>	<b>1920</b>
<b><u>Children's Services</u></b>			
• Further Review of EMAS, including direct funding by schools	306	306	306
• Cease Interest on School Balances.	240	240	240
• Management and Administration.	100	100	100
• Other Savings and Efficiencies	153	182	182
	<b>799</b>	<b>828</b>	<b>828</b>
<b>TOTAL</b>	<b>3207</b>	<b>4506</b>	<b>5357</b>

Note\*: figures include additional savings arising from last year's budget decisions.

**Budget 2008/09 Questionnaire Results** (2007/08 in brackets)

**Q1.** Overall, do you think spending on services should:

Be increased <b>34%</b> (42)	Stay the same <b>59%</b> (51)	Be reduced <b>8%</b> (7)
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**Q2.** Now, looking at the main services the Council provides, please indicate for each one whether you think spending should increase, stay the same, or be reduced. (Rankings obtained by comparing balance of "increase" and "reduce" responses.)

	Spend should increase	Spend should stay the same	Spend should be reduced	Ranking
Schools	<b>35%</b> (42)	<b>61%</b> (54)	<b>3%</b> (4)	<b>9</b> (6)
Support to Schools	<b>36%</b> (36)	<b>60%</b> (56)	<b>5%</b> (8)	<b>11</b> (11)
Youth Service and Community Centres	<b>45%</b> (38)	<b>50%</b> (54)	<b>5%</b> (7)	<b>6</b> (10)
Adult Education	<b>18%</b> (14)	<b>71%</b> (71)	<b>13%</b> (15)	<b>16</b> (16)
Libraries / Archives	<b>19%</b> (16)	<b>70%</b> (73)	<b>10%</b> (10)	<b>15</b> (15)
Refuse Collection, Disposal & Recycling	<b>39%</b> (40)	<b>59%</b> (58)	<b>2%</b> (2)	<b>7</b> (7)
Street Cleaning & Litter Removal	<b>50%</b> (48)	<b>49%</b> (49)	<b>1%</b> (2)	<b>5</b> (5)
Maintenance of Roads & Footpaths	<b>59%</b> (60)	<b>39%</b> (37)	<b>2%</b> (2)	<b>3</b> (2)
Reducing Traffic Congestion	<b>42%</b> (44)	<b>51%</b> (47)	<b>8%</b> (10)	<b>8</b> (8)
Arts & Entertainment	<b>6%</b> (6)	<b>62%</b> (60)	<b>32%</b> (34)	<b>18</b> (18)
Museums & Heritage	<b>8%</b> (9)	<b>68%</b> (66)	<b>23%</b> (25)	<b>17</b> (17)
Parks & Open Spaces	<b>30%</b> (35)	<b>66%</b> (58)	<b>4%</b> (7)	<b>12</b> (12)
Sports Facilities & Leisure Centres	<b>31%</b> (33)	<b>60%</b> (58)	<b>8%</b> (9)	<b>13</b> (13)
Helping Create New Jobs & Businesses	<b>41%</b> (44)	<b>49%</b> (45)	<b>10%</b> (11)	<b>10</b> (9)
Care & Support for Children & Families	<b>32%</b> (31)	<b>58%</b> (57)	<b>10%</b> (12)	<b>14</b> (14)
Care & Support for Older People	<b>60%</b> (57)	<b>38%</b> (39)	<b>2%</b> (4)	<b>2</b> (3)
Care & Support for People with Mental Health Problems, Learning or Physical Disabilities	<b>51%</b> (50)	<b>47%</b> (46)	<b>2%</b> (4)	<b>4</b> (4)
Crime Prevention & Public Safety	<b>65%</b> (66)	<b>34%</b> (31)	<b>1%</b> (2)	<b>1</b> (1)



## Analysis of Provisional 2008/09 Budget by Division of Service

	<b>£000</b>
<b>Children's Services</b>	
Schools (Asset Rents & Strategy costs etc. not funded by DSG)	23,145
Youth Service	3,670
Children & Families Social Services	31,007
Other Children's Services	4,815
	<u>62,637</u>
<b>Adult, Community and Housing Services</b>	
Care & Support for Older People	43,782
Care & Support for People with a Physical or Sensory Disability	7,831
Care & Support for People with a Learning Disability	22,450
Care & Support for People with Mental Health Needs	5,671
Libraries, etc.	5,063
Other Adult and Community Services, inc. Neighbourhood Management	2,589
Private Sector Housing	2,569
Homelessness & Welfare	393
Contribution to Housing Revenue Account for Community Expenditure	312
	<u>90,660</u>
<b>Urban Environment</b>	
Environmental Health & Consumer Protection	3,778
Street Cleansing	2,318
Waste Collection & Disposal	15,179
Cemeteries & Crematoria	(405)
Traffic Management & Road Safety	1,977
Flood Defence & Land Drainage	189
Highways Maintenance (inc. capital charges, etc.)	13,145
Other Engineering & Transportation Services	(233)
Planning, Building and Development Control	2,429
Economic Regeneration	1,868
Environmental Initiatives	465
Culture and Heritage	2,197
Recreation & Sport and Open Spaces	9,105
	<u>52,012</u>

£000

**Chief Executive's**

Elections & Electoral Registration	667
Economic & Community Development	2,425
Community Safety	1,126
Corporate & Other Costs	10,733
	<u>14,951</u>

**Finance, ICT and Procurement**

Tax Collection & Benefits	3,817
Transport Authority Levy	16,044
Flood Defence Levy	121
Treasury, etc.	-2,435
Corporate & Other Costs	1,972
	<u>19,519</u>

**Law and Property**

Licensing, Registration & Courts	590
Democratic Costs	1,590
Other Legal & Property Services	-338
	<u>1,842</u>

<b>TOTAL</b>	<b>241,621</b>
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