

Meeting of the Resources and Transformation Scrutiny Committee – 17th November 2015

Joint Report of the Chief Executive, Chief Officer Finance and Legal Services and Strategic Director Resources and Transformation

Medium Term Financial Strategy

Purpose of Report

1. To consult the Scrutiny Committee on the Medium Term Financial Strategy (MTFS) to 2018/19, with emphasis on those proposals relating to the committee's terms of reference.
2. For this committee the relevant items are those relating to the Resources and Transformation Directorate in paragraph 29.

Background

3. At its meeting on 28th October, the Cabinet considered a preliminary Medium Term Financial Strategy to 2018/19 for further consultation, including consultation with Scrutiny Committees, in accordance with the Constitution. In framing their responses to these budget proposals, Scrutiny Committees were asked to consider both the spending and funding implications (including the impact on Council Tax) of any observations they may wish to make. Scrutiny Committees are considering these matters between 17th November and 23rd November with an emphasis on proposals falling within the Terms of Reference of each Committee. A verbal summary of their deliberations will be given to the Overview and Scrutiny Management Board on 24th November.

Forecast 2015/16 Position

4. Forecast General Fund revenue spend variances compared with budget are as follows.

5. The new People Directorate has inherited serious spending and performance pressures. The budget for Adult Social Care was set against the background of negotiations between central government, health and local authorities in relation to the Better Care Fund. The impact on Dudley was a reduction of £5m in the baseline funding to the Council compared to the amount that was expected in October of last year. Furthermore, the performance-related element of the Fund was made subject to a challenging target of a 3.5% reduction in non-elective admissions to the acute hospital. This target, which is not fully under the control of the Council, is very unlikely to be met in the current year and as a result there will be a further shortfall of £1.6m. In spite of all efforts and in the face of rising demand for services to the elderly, it has not been possible to identify savings to offset these shortfalls in income. In addition, there are pressures of £3.4m in relation to care packages for physical and learning disabilities and mental health. Taken together, there is a total underlying shortfall on the Adult Social Care budget of £10m.
6. The directorate has identified £3.3m from earmarked reserves and re-allocation of Care Act grant to partly offset this pressure but this is a one-off mitigation for the current year only. (This is in addition to £3.1m use of earmarked reserves in the previous financial year.) Discussions have also been held with the Clinical Commissioning Group (CCG) who have agreed (subject to formal Board approval) a transfer of £2.5m to support the service in the current year. Discussions are ongoing about further support that may be provided in future years and the results of those discussions will be reported to a future meeting of Cabinet. Taking account of these mitigations, the net shortfall on the Adult Social Care budget in the current year is £4.2m.
7. Pressures within Children's Services relate in the main to numbers of district social workers being over the established budget, the costs of transition to the new management structure of the service and the costs of work to improve practice in the light of a review of safeguarding. Some of the costs arising from the review of safeguarding will be ongoing, but action is being taken to bring social worker numbers within the budget. Overall numbers of Looked After Children are now starting to reduce following the rises seen in recent years. The total forecast pressure within the current year is £1.8m.
8. Efforts will continue throughout the year within the People Directorate to bring these shortfalls down but at this stage, based on the current outturn, these are the pressures that are predicted.
9. There is a forecast underspend within the Health and Wellbeing division of £0.2m.
10. Within the Directorate of Place there are pressures of £0.8m mainly related to shortfalls in car parking income and leisure centre income.
11. Directorate budgets include an allowance to meet employer superannuation costs. This is expressed as a percentage of salary costs and is estimated in advance of each financial year. Review at the mid-year point indicates that there will be a surplus of £0.7m over and above the amount required to be paid to the West Midlands Pension Fund and this surplus can be returned to general balances.
12. Full Council on 12th October approved an amended Minimum Revenue Provision (MRP) policy. This is in effect the provision that the Council makes to repay debt on past capital expenditure. Details of the changes were set out in the report to that meeting. The effect in 2015/16 is to reduce the charge to revenue by £14.8m.

13. It is proposed that £5.6m be set aside in the current year to meet the costs of redundancies required to deliver savings for 2016/17. This is an estimate at this stage (see paragraph 32 below) and will be reviewed in future reports to Cabinet.
14. Paragraphs 38 to 39 outline proposals for a transformation programme to address the significant financial challenge that the Council continues to face in coming years. It is proposed that £2m be set aside to fund this programme. This is a prudent estimate at this stage and will be kept under review and any funds that are not required will be returned to general balances in due course.
15. It is proposed that Council be recommended to amend 2015/16 budgets to reflect the above variances
16. In light of the above it is proposed that all senior managers be reminded of the need for strict budgetary control in accordance with the Financial Management Regime and care and caution in managing the budget, particularly in the context of commitments into later years and the impact that any overspending in any one year will have on the availability of resources to meet future budgetary demands.

General Fund Balances

17. The latest forecast General Fund Balances position, compared to the original Approved Budget for 2015/16 is therefore as follows.

	Current Budget £m	Latest Position £m
Balance at 31 st March 2015	25.0	25.0
Planned use approved by Council in March	-6.5	-6.5
	18.5	18.5
Adult Social Care pressures (paras 5-6)	-	-4.2
Children's pressures (para 7)	-	-1.8
Health and Wellbeing under-spend (para 9)	-	+0.2
Place Directorate pressures (para 10)	-	-0.8
Employer's superannuation (para 11)	-	+0.7
MRP Policy change (para 12)	-	+14.8
Redundancy costs (para 13)	-	-5.6
Transformation programme (para 14)	-	-2.0
Forecast balance at 31st March 2016	18.5	19.8

Medium Term Financial Strategy to 2018/19

18. In updating the Council's Medium Term Financial Strategy, Members will need to consider carefully:
 - (a) the levels of Government support allocated to the Council;
 - (b) spending pressures, opportunities to free up resources (including 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.

- (g) the potential impacts on people with protected characteristics as defined in the Equality Act 2010. Members will need to have due regard to the public sector equality duty under the Equality Act 2010. (Further details are set out in the Equality Impact section below.)

Government Funding

19. At the time of writing this report, we have not been notified of our Revenue Support Grant (RSG) or other government funding allocations for future years. Provisional figures for 2016/17 (and potentially indicative figures for subsequent years) are expected in December, following the Government's Spending Review on 25th November.
20. We are unable to wait until December to set out budget proposals and to consult with members, the public, staff, unions and other stakeholders on those proposals. This report therefore sets out a forecast of government funding from 2016/17 to 2018/19 as a basis for planning. That forecast is based on the Chancellor's Summer Budget and the implied reductions in funding to unprotected areas which include Local Government. Within this forecast we have assumed that New Homes Bonus will continue, and will increase in line with new home completions.
21. On 5th October the Chancellor announced that the Government would be moving to devolve 100% of Business Rates to councils by 2020. No technical details were provided and it is not clear whether this change will be implemented in one go or phased in over a number of years. However, a HM Treasury press release did state: "These new powers must come with new responsibilities, as well as phasing out the main grant from Whitehall, to ensure the reforms are fiscally neutral." It is therefore proposed to continue with a resource forecast based on the Summer Budget and review this in due course when further details emerge.

Council Tax and Business Rates

22. We have reviewed both of these income streams in the light of underlying trends and expected future developments and this has led to the following changes when compared to previous forecasts:
 - An increase in residential new building leading to a cumulative improvement in our Council Tax forecast of £1.9m by 2018/19.
 - A worsening trend for business rates, taking into account forecast new building, demolitions, reliefs etc., leading to a cumulative reduction in forecast income of £2.2m by 2018/19.

23. Proposals to amend the Council Tax Reduction (CTR) scheme were considered in a separate report to Cabinet on 28th October. Forecast figures for Council Tax income below are based on the agreed option which is estimated to increase income by around £1m.
24. As the CTR scheme is based on a means-tested calculation, if household income is reduced, CTR is increased (unless already at a maximum level) independently of any changes to the Council's scheme. The government's welfare reforms announcements in the July budget statement could therefore have an impact on the levels of CTR granted. Whilst individual local authorities do not have sufficient data to undertake detailed modelling on the overall impacts of welfare reform, based on predictions by external analysts the cuts to tax credits from April 2016 could increase Dudley's CTR scheme costs by up to £0.5m, which is reflected in our forecasts. The extent as to which tax credit cuts will be offset by the National Living Wage and an increase in employment is impossible to predict.

Integrated Transport Authority Levy

25. We have assumed, based on indications from the Integrated Transport Authority (ITA) that the Levy will reduce by 7.4% over the next three years. This will be reviewed in line with further announcements from the ITA.

Base Budget Forecasts

26. The Base Budget reflects the impact on spending of forecast inflation and other anticipated changes, before directorate spending pressures or savings proposals are taken into account. Details are as follows.

	2016/17	2017/18	2018/19
	£m	£m	£m
2015/16 base	229.4	229.4	229.4
Pay & prices (<i>note 1</i>)	2.4	5.6	9.1
Change in MRP Policy (<i>see para 12</i>)	-14.4	-15.0	-0.7
Pensions (<i>note 2</i>)	1.2	3.3	3.7
National Insurance (<i>note 3</i>)	2.1	2.1	2.1
Other adjustments (<i>note 4</i>)	0.2	-0.3	-0.4
Base Budget Forecast	220.9	225.1	243.2

Notes:

- (1) We are expecting underlying pay awards for local government to continue to be settled at very low levels in the next few years. It is not yet clear how the National Living Wage will impact on local government pay scales, in particular the maintenance of differentials. We have provided 1% each year for underlying increases for the remainder of the MTFs, plus a reasonable allowance for the impact of the National Living Wage. There is provision of 2% each year for general price increases.
- (2) Ongoing stepping up of employer contributions following revision of the Local Government pension scheme from April 2014.
- (3) Ending of "contracting out" on introduction of Single Tier State Pension from April 2016.
- (4) Impact of Capital Programme and treasury management changes, and other minor adjustments.

Spending Pressures

27. Spending pressures provided for are as follows. These are detailed in Appendix A.

	2016/17	2017/18	2018/19
	£m	£m	£m
People	17.1	20.0	22.9
Place	0.7	0.9	1.0
Resources and Transformation	0.5	0.6	0.6
Total	18.3	21.5	24.5

28. The pressures for the People Directorate set out above include estimated pressures of £4.1m in 2016/17, rising to £6.4m in 2017/18 and £8.8m in 2018/19 resulting from the introduction of the National Living Wage and its impact on social care providers. There is no indication at present that this will be funded by central government.

Savings

29. Cabinet on 25th June noted the creation of eight Budget Challenge Teams of cabinet members (one for each Chief Officer). These teams have met on a number of occasions over the summer to examine all areas of the budget. As a result, the following saving proposals have been identified as the basis for scrutiny and consultation. Details are set out in Appendix B.

	2016/17	2017/18	2018/19
	£m	£m	£m
People	4.9	12.1	12.5
Place	1.2	2.3	4.0
Resources and Transformation	2.0	3.0	3.1
Total	8.1	17.4	19.6

Public Health

30. The Council's original Public Health Grant allocation in the current year was £21.4m. Following the Government's stated intention to reduce national allocations by £200m in year, we are currently awaiting the outcome of consultation on the options for allocating this reduction between authorities. We are expecting the 2016/17 grant allocation to be announced in December.

31. Savings proposals in respect of grant funded activities are set out in Appendix B. Proposals for the overall deployment of the 2016/17 funding will be brought back to Cabinet for consideration in due course. Subject to the funding available, opportunities will be sought to use the Public Health Grant to support the wider health improvement priorities of the Council.

Human Resource Implications

32. Redundancy costs required to achieve the proposed savings, including those relating to pension strain, are dependent on the proportion of savings to be met from staffing reductions and the age and length of service of the individuals being made redundant, and therefore cannot be precisely calculated at this stage. In addition to provision of £5.6m in the current year (see para 13) a further £5.1m has been provided for in 2016/17 and £1.1m in 2017/18. These are estimates based on previous trends and will be reviewed as the redundancy process moves forward.¹
33. It is proposed to recommend to Council (consistent with previous arrangements):
- the delegation for approval of voluntary redundancies to the Cabinet Member for Corporate and Customer Services and the Strategic Director of Resources and Transformation;
 - the delegation for approval of compulsory redundancies to the Cabinet Member for Corporate and Customer Services and the Chief Officer Corporate and Customer Services;
- up to a maximum of £11.8m (as provided for in the budget forecasts) for direct redundancy costs and the capitalised cost of pension strain in respect of redundancies.

¹ The Government has announced its intention to introduce a limit of £95,000 on the cost of all public sector severances. The precise details and timing of these changes are still to be confirmed.

Medium Term Financial Strategy

34. The MTFs reflecting the revised spending proposals set out above, and forecasts of likely resource availability can be summarised as follows.

	2016/17 £m	2017/18 £m	2018/19 £m
Base Budget Forecast	220.9	225.1	243.2
- see para 26			
Pressures	18.3	21.5	24.5
- see para 27			
Savings	-8.1	-17.4	-19.6
- see para 29			
Redundancy costs	5.1	1.1	-
- see para 32			
Total Service Spend	236.2	230.3	248.1
Revenue Support Grant (RSG)	44.9	33.7	18.3
Retained Business Rates	46.7	47.1	48.0
Top-Up Grant	15.3	15.7	16.1
Business Rate Grant	0.9	1.0	0.9
New Homes Bonus	5.3	5.8	6.2
New Homes Bonus Adjustment Grant	0.2	0.2	0.2
Council Tax Freeze Grant	1.2	1.2	1.2
Collection Fund Surplus – Council Tax	1.6	0.0	0.0
Collection Fund Deficit – Business Rates	-1.8	-0.7	0.0
Council Tax	100.5	103.5	106.6
Total Resources	214.8	207.5	197.5
Deficit funded from Balances	21.4	22.8	50.6
Balances brought forward	19.8	n/a	n/a
Balances carried forward	n/a	n/a	n/a

35. The table above assumes, that Council Tax increases by just under 2% for each year of the MTFs.

36. Based on the resource forecasts, pressures and savings proposals set out above, balances will be insufficient to fund the deficit even until the end of 2016/17. In order to remedy this position, to set a lawful budget and to ensure prudent balances are carried into 2017/18, the following immediate actions are proposed:

- All directorates will further review budgets to identify additional savings that can be implemented from 2016/17.
- The Chief Executive and Strategic Directors will implement central control over recruitment so as to ensure that permanent external appointments are only made where they are the most economic option and are essential to the running of services.
- The Chief Executive and Strategic Directors will issue guidance to managers and review procurement cards and authorisation levels so as to improve control over non-essential expenditure.

- The Chief Executive and the Strategic Director for Resources and Transformation will commence a review of the Council's redundancy scheme, subject to consultation with the unions, and report back to a future meeting of Cabinet.
 - The Chief Executive and Strategic Director of Resources and Transformation will review car mileage rates subject to consultation with unions and report back to a future meeting of Cabinet.
 - An additional meeting of Cabinet will be scheduled for 14th January 2016 to consider a further report on the budget for 2016/17 and the MTFS.
 - There will be further consideration of the budget for 2016/17 and MTFS by Scrutiny Committees after the Cabinet meeting on 14th January 2016.
37. At the same time as addressing the immediate challenge for 2016/17, action is required to address the forecast deficit of over £22m in 2017/18 rising to over £50m in 2018/19. It is recognised that if the Council continues to operate in the same way it simply will not be able to achieve this level of further savings and therefore a more radical approach to transforming service delivery is required.
38. Three interlinked areas of transformation are proposed:
- Firstly, savings will be found by reducing the cost of how the authority does its business across all departments. This will include maximising the benefits of digital technology by increasing customer and staff self service by investing in a new digital platform and improved website as well as implementing smarter working practices to remove unnecessary administrative overheads and maximising paperless working.
 - Secondly, the authority's work as a community council will go to another level with the creation of a community resilience transformation programme. This will involve establishing new multi-agency hubs covering a range of services, groups and partners to create sustainable and affordable ways of working with children, families and adults in our community. Services such as children's support, children's centres, housing services, community safety as well as police, fire and third sector services could all be provided at the hubs. Hubs located in different townships across the borough will provide a focal point for residents and local councillors to work together to increase independence and improve their neighbourhoods whilst generating a lower cost base with lower revenue costs.
 - Thirdly, to make the community hubs a reality, a public estate workstream will be undertaken to identify appropriate hub locations from the range of properties owned by the council and public sector partners across the borough. Appropriate hub locations will be found in the heart of communities, which will then allow surplus council-owned land to be released for development to maximise capital receipts and increase council tax and business rate income and create economic growth.

This transformation will be a redesign of everything the Council does to ensure a fit with the budget available.

39. This transformation will require some invest to save resources to bring in some expertise to build the skills and capacity of the corporate transformation team, to work with a strategic partner to do the radical redesign work that the transformation envisages and to provide investment in a new digital platform. This report therefore proposes (see paragraph 14) to set aside £2m for an invest to save scheme.

Estimates, Assumptions & Risk Analysis

40. The proposals in this report are based on a number of estimates, assumptions and professional judgements, which are subject to continuous review. These may lead to further increases in expenditure and, therefore, the need to identify alternative funding sources, and include:
- (a) Revenue Support Grant for 2016/17 – 2018/19 is in line with current forecasts. It should be noted that these forecasts in particular remain highly uncertain;
 - (b) income from Business Rates (net of appeals etc.) will be in line with current forecasts;
 - (c) the cost of Council Tax Reduction awarded will not substantially exceed forecasts, and the tax base will continue to grow as anticipated;
 - (d) New Homes Bonus funding for future years increases in line with new home completions;
 - (e) Unequal Pay Back Pay costs are no more than estimated;
 - (f) general levels of inflation, pay and interest rates do not vary materially from current forecasts;
 - (g) income and expenditure relating to treasury management activity, including airport dividend income, are in line with forecasts;
 - (h) the impact of schools transferring to academy status can be managed within existing Directorate budgets;
 - (i) there will be no other unplanned expenditure (including any resulting from demographic pressures) or shortfalls in income, which cannot be met from reserves;
 - (j) there will be no changes to government policy on Council Tax increases.

Consultation

41. Following the high profile and extensive consultations held over the previous three years a significant number of residents are now subscribed to the council's e-bulletin service. To minimise costs, last year's consultation was carried out predominantly online through the e-bulletin service, website and social media and it received a total of 6,000 responses which was more than any budget consultation in the authority's history. The proposal for this year's consultation is to again utilise the successful online channels of the e-bulletin, internet and social media. We will again also make hard copy, printed versions available in borough libraries and Dudley Council Plus through a consultation which will run through November, December and January.

42. Detailed consultation will also be undertaken with groups identified as being potentially affected by the specific savings proposals, with a particular emphasis on equalities issues. Further information is set out in the Equality Impact section below. Unions will be consulted in the context of the redundancy process.
43. A consultation document will be distributed to representatives of Non-Domestic Ratepayers setting out the provisional budget proposals in this report. Consultees will be offered the opportunity for a meeting to be held if there is sufficient interest. Further detailed information (as required in pursuance of the statutory duty to consult) will be distributed in February for comment before the Council Tax setting meeting.
44. In accordance with the Council's Constitution, Scrutiny Committees are being asked to consider the issues set out in this report and any related specific issues relevant to their Council Plan and service responsibilities. For this committee the relevant items are those relating to the Resources and Transformation Directorate in paragraph 29. The Strategic Director Resources and Transformation will be available at the meeting to address any queries. In framing their responses, the Scrutiny Committees are being asked to consider both the spending and funding implications (including the impact on Council Tax) of any observations they may wish to make.

Finance

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

Law

46. The Council's budget setting process is governed by the Local Government Finance Acts 1988 and 1992, and 2012 and the Local Government Act 2003.
47. The Local Government Act 2003 requires the Chief Financial Officer 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.
48. The Localism Act 2011 introduced a new chapter into the Local Government Finance Act 1992 making provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

Equality Impact

49. Section 149 of the Equality Act 2010 - the general public sector equality duty - requires public authorities, including the Council, to have due regard to the need to:
 - eliminate discrimination, harassment and victimisation and other conduct that is prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and those who don't;

- foster good relations between people who share a protected characteristic and those who don't.

50. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

51. The legislation states that "the steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities." In practice, this means that reasonable adjustments should be made for disabled people so that they can access a service or fulfil employment duties, or perhaps a choice of an additional service for disabled people is offered as an alternative to a mainstream service.

52. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- tackle prejudice, and
- promote understanding.

53. Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The duty covers the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

54. An initial assessment of the budget proposals has been made. Where proposals are likely to have a significant equality impact, they will undergo an equality impact assessment informed by consultation with the protected groups who may be adversely affected, during the autumn. The results of this process and any steps which emerge that might help to mitigate any potential impact of the budget proposals on the protected groups will be reported to Members so that they can pay due regard to the Public Sector Equality Duty in making decisions on the budget. In making decisions on budget proposals, Members will need to weigh the Public Sector Equality Duty against the forecast financial position, risks and uncertainties set out in this report.

55. With regard to Children and Young People, a substantial element of the proposed budget for the People Directorate will be spent 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.

Recommendations

56. That the Committee considers the Cabinet's proposals for the Medium Term Financial Strategy to 2018/19, taking into account the considerations set out in paragraph 44.



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List of Background Papers

Budget and Council Tax setting 2015/16 report to Council, 2nd March 2015
Revenue Outturn 2014/15 report to Cabinet, 25th June 2015
Report to Cabinet 28th October 2015

Spending Pressures

People	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Outcomes from Safeguarding Children Services Audit	797	797	797
Spend to Save Initiative: District Social Worker peripatetic pool to cover maternity and turnover thus avoiding the engagement of Agency Staff Social Workers.	225	225	225
Spend to save Initiative: Invest in Children's Services to support the development of the Dudley Safeguarding and Early Help model.	250	250	250
Non-delivery of the Better Care Fund performance element	1,620	1,620	1,620
Existing Service Pressures - Assessment and Independence	5,000	5,000	5,000
Existing Service Pressures - Complex and Inclusion and Mental Health	3,400	3,400	3,400
Pressures around increased Safeguarding and Deprivation of Liberty standards (DOLS) activity	160	160	160
Increased costs of care for Older people as a result of demographic pressures of people living longer. (dementia)	539	1,078	1,617
Learning disability transition cases	1,005	1,005	1,005
National Living Wage residential care providers	2,668	4,076	5,451
National Living Wage care at home providers	1,229	2,048	2,867
National Living Wage direct payments	155	310	465
Total	17,048	19,969	22,857

Place	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Shortfall of Pay & Display income due to reduction in parking spaces without commensurate reduction in income target	250	250	250
Increase in free spaces & reduction in season permit holders.	100	100	100
Not converting free car parks to Pay & Display per agreed policy	150	150	150
Dudley Market Place cleansing (growth)	50	50	50
Leisure Centres income shortfall	100	100	100
Waste disposal - higher costs at recycling site and landfill tax, from 2017 when current contract is due for renewal	91	272	333
Total	741	922	983

Resources and Transformation	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Corporate Transformation Restructure	158	158	158
Legal Services additional support for Looked After Children	100	100	100
Assumed maximum reduction in DWP Benefits Admin Grant based on previous trends.	175	175	175
Impact of National Living Wage on outsourced Cleaning Contract for Admin Buildings	49	80	120
Subscription to Black Country Consortium	50	50	50
Total	532	563	603

Proposed Savings

People	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Generate additional surplus traded service income.	39	100	100
Service efficiencies in respect of the Educational Psychology service.	0	24	24
Restructure the integrated youth support service.	130	330	330
Realign the voluntary and community sector commissioning budget.	40	80	80
Options will be explored for Dudley Performing Arts (DPA) service to become 100% financially sustainable by 2016/17, through traded service income, grants, partner contributions and trust status.	170	170	170
Establish savings through an integrated service approach to the Whole Life Disability service to be achieved as part of the People Services Directorate revised structure from 2015.	5	75	75
Smarten the commissioning arrangements in the People Services Directorate.	133	223	223
Redesign the Education Services division to achieve efficiencies and improve outcomes.	110	156	156
Integrate service arrangements for the Teenage Pregnancy programme with Social Care and Public Health.	0	134	134
Develop a more integrated approach for children and young people in the area of safeguarding and early help to include Children Centres.	137	1,401	1,401
Redesign the early help offer for Dudley to prevent children escalating to becoming looked after.	0	2,000	2,000
Alignment of contract prices at New Bradley Hall with market conditions.	0	0	354
Maintain reablement service capacity and delivery via alternative business model.	500	500	500
Commission alternative model to current Employment plus arrangements.	239	239	239
Reprovision of long term residential care and reablement at Russell Court	500	1,000	1,000

People	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Review the scope, capacity and efficiency of the Dementia Gateway service.	443	886	886
Review efficiency, effectiveness and investment in supporting people and voluntary sector commissioned services.	1,500	3,000	3,000
Removal of grant funding for Centre for Equality and Diversity (CFED)	20	40	40
Redesign and integrate the service delivery model for Environmental Health and Trading Services.	0	137	137
Recommissioning of the Substance Misuse service in light of tendering process.	115	115	115
Creation of a Library Archives and Adult Learning mutual	811	1,526	1,526
Total	4,892	12,136	12,490

People - Savings from Public Health Grant	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Restructure of Public Health management and staffing posts	632	650	650
Review investment efficiencies in Public Health commissioning arrangements.	1,045	1,950	1,964
Total	1,677	2,600	2,614

Place	2016/17 £000	2017/18 £000	2018/19 £000
Directorate efficiencies - Reviewing staffing requirements and income generation targets subsequent to service review	20	222	222
Deliver value for money services by ensuring that high priority green areas are effectively maintained while reducing / stopping maintenance of low priority areas and reducing maintenance of ornamental lawns. Encouraging greater participation by communities in maintenance of green areas as a means of achieving civic pride and community commitment. Seek sponsorship in order to carry out planting programmes. Withdrawing support for 'Green Flag' and 'in bloom' submissions with community / voluntary sector taking the lead in future.	166	265	265
Reviewing street cleansing operations in order to maximise the efficiency and effectiveness of the service by focussing activity in areas affected by litter	55	55	55
Closure of public conveniences based upon use and condition	0	25	25
Ensure that HRA contribution to General Fund services is appropriate by reviewing contribution towards development of cross tenure housing strategy policy and team and rationalise grant assistance to CAB while maintaining cross tenure housing advice service	39	64	64
Review of events programme and associated land and building assets in order to deliver self financing service by 2019	70	125	461
Review use of halls borough wide in order to achieve self financing status. Closure of Dudley Museum with collection transferred to alternative premises for permanent display. Review opening hours at Red House . Engage with Hotel provider regarding the potential for provision at Ward House in order to support events at Himley Hall	20	190	764
Review current operation of street lighting in order to maximise efficiency of repairs service and utilising dimming technology / turning off street lights in identified low risk areas in order to reduce energy costs	150	250	250

Place	2016/17 £000	2017/18 £000	2018/19 £000
Ensuring efficient highway maintenance service by streamlining pothole repair process and focussing carriageway re-surfacing on strategic highway network	135	155	445
Undertake review of current winter service provision in order to ensure key strategic routes are treated as required while ensuring best value is delivered in provision of the service. Number of gritting vehicles and provision of grit bins to be rationalised	20	75	125
Commence review of policies related to parking charges and exemptions culminating in a strategic review of parking services in order to ensure that parking provision and enforcement facilitates and encourages access to key retail / economic centres across the borough	35	45	295
Review criteria for provision of dog / litter bins and signage	20	20	20
Private Sector Housing - Home Improvement staffing efficiencies	280	280	280
Introduction of Road Safety Traded Service to charge for Road Safety and Cycling Proficiency schemes	0	30	30
Charging Academy Schools for School Crossing Patrols & review of deployment criteria.	0	20	40
Maximising efficiency in Bereavement Service. Review charging policy and implement a package of measures in order to maximise take up of the service while providing high quality bereavement services across the borough	256	466	712
Total	1,266	2,287	4,053

Resources and Transformation	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Financial Services – Savings will be delivered following a review of processes so the service focuses on strategic financial management and reduces non-core and transactional activity. Efficiencies will be delivered following the formation of Financial Services which now includes Revenues Exchequer Services and Procurement, Creditor Services and Contract Management.	55	190	190
Elections - reduction in running expenses	30	30	30
Democratic Services and Legal Admin - staff savings from process and service redesign.	101	101	101
Audit Services - staff savings through rationalisation of audit work in line with key risks.	0	32	32
ICT – reductions in staffing, software and hardware costs made possible by increased automation and self-service, stream-lining of processes, server virtualisation, use of open source software, reduced maintenance following investment in infrastructure and further consolidation including pursuit of shared service opportunities.	357	582	590
Reorganisation of the Health and Safety function.	123	123	123
Corporate & Customer Services - review of senior management structure and other staff roles/responsibilities within the Division	404	404	404
HR Services - Staffing savings together with some reduction in general service overheads following service review, to focus on strategic HR business partnering, and further reductions in non-core and transactional activities. Efficiencies will be delivered following implementation of a new HR/Payroll system alongside an increase in employee/manager self service.	69	274	379
HR Services - Increased scope for income from traded services across HR operation.	30	50	50
Corporate Landlord Services - New income will be generated from new design work arising from identifying and realising opportunities from the creation of a new estate strategy. £100k additional income will be generated from 17/18 by increasing traded service to schools.	75	175	175

Resources and Transformation	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Savings will come from redefining and reducing the number of existing property roles in the new Corporate Landlord Service. Review caretakers roles including Priory Hall. Saltwells Education Development Centre to achieve 5% efficiency savings	363	375	375
Reduce opening times at Dudley Council Plus	40	40	40
Higher than anticipated recovery costs income, and proposed increase in Council Tax court summons costs by £5 per summons	75	75	75
Local Welfare Assistance - explore alternative delivery models, predominantly via Voluntary Sector	100	200	200
Communications and Public Affairs restructure of service	163	227	227
Reduce grant to Dudley Zoo	0	100	100
Total	1,985	2,978	3,091