

Revenue Budget: 2010/11 to 2012/13

Cabinet Proposals for Consultation

Draft Budget: Better Working, Better Services

Background

The Council agreed a Medium Term Financial Strategy on 1st October 2009, which set a clear framework for budget planning based on the Government's most recent Comprehensive Spending Review (CSR) in 2007. Since the last CSR, however, the recession has meant that future public expenditure plans are likely to involve significant reductions from those anticipated. The Medium Term Financial Strategy was developed within this context and these draft proposals are designed to deliver that strategy.

This involved developing plans to balance a need to allocate additional resources for key priorities, most significantly, social care for vulnerable people and protecting the environment, without excessive rises in Council Tax levels. This has been made especially challenging since Government grant continues to be reduced compared with what the Government's own formulas say we should receive. The importance of limiting council tax increases has, however, grown as the recession continues to impact upon local people. These budget proposals therefore assume that there will be a 1% reduction in the council tax in Calderdale for 2010/11 compared to 2009/10.

The Medium Term Financial Strategy (MTFS) already provides for additional resources to priority areas. These include adult social care, recycling and children in care. It also provides for unavoidable pay and price commitments. This Consultation Budget takes this prioritised position as a starting point for further developments and savings.

The Cabinet has therefore had to ensure plans are in place to maximise efficiency gains in order to develop proposals to balance the many pressures facing the Council.

Our Proposals – Better Working, Better Services

The proposals covered below show how the Council can meet its Medium Term Financial Strategy to increase resources to priority areas. These priority areas will include services where demand is continuing to expand and services where income has reduced as a result of the recession.

Increased Demand for Existing Services

Additional resources will be allocated to service areas where demand is increasing, such as helping to protect children in potentially vulnerable situations and for increasing numbers of adults requiring social care.

Transformation

The Council is committed to providing better services and transforming the way in which it delivers those services. These budget proposals include the current proposals and efficiency savings that will result from transformation in specific service areas, such as Revenue and Benefits and back office and administrative services. The transformation programme is being expanded across the whole Council, however, and savings targets have been included for later years of the plan.

Service Improvements

In addition to transforming the services the Council already provides the Consultation budget also includes further resources to enhance services in areas such as fly tipping, winter maintenance and flood defence. Additional resources are also provided for new initiatives in service improvements such as increasing the social worker capacity to support families to keep children out of care, educational support to looked after children and support to reduce the number of vulnerable young people not in education, employment or training.

The Consultation budget also includes a major new initiative to improve the literacy of young children, referred to as the Imagination Library. Under this scheme children under the age of 5 in the borough will be sent one age appropriate book each month to their home.

Making This Affordable

The Council's previously agreed budget strategy included some general efficiency targets for all services from better procurement and ensuring reductions in sickness absences. Further savings are being developed around the Council's use of its assets and facilities and its back office functions. Part of making the budget affordable also includes keeping costs down wherever possible and the budget provides for relatively small increases in pay and price inflation.

The table below details, at a corporate level, efficiencies put forward as part of this consultation by major theme.

Summary 2010/11 to 2012/13 Savings by Theme

	<u>2010/11</u> £	<u>2011/12</u> £	<u>2012/13</u> £
Service Efficiencies	-4,625,000	-8,128,000	-9,419,000
Transformation	0	-763,000	-4,363,000
Income Generation	-76,000	-76,000	-76,000
Overall Total of Options	-4,701,000	-8,967,000	-13,858,000

As in previous budget decisions, our focus has been on ensuring that the savings needed to provide investment in service improvements come from efficiencies rather than reductions in services. This has been achieved despite a reduction in council tax for 2010/11. Our proposals for 2011/12 and 2012/13 are currently based on a council tax increase of 2% assuming that Government plans for funding of local authorities turn out as expected.

Budget changes are shown in summary, by Directorate, in the attached paper. These will be subject to consultation (including through the Council's Scrutiny Panels) over the next four weeks. Final recommendations based on comments received will be made to Budget Council to be held on 22nd February 2010. The proposals meet in full the aspirations of the Council's recently agreed Medium Term Financial Strategy. They mean that long term efficiency measures can be implemented ensuring that resources are released to protect both our environment and our most vulnerable residents in the coming years. At the same time, they provide an affordable level of council tax increase, and a reduction of 1% in 2010/11.

Value for Money

In Calderdale, efficiency and improvement has always been part of the organisation's culture. In recent years this has been formalised by the introduction of efficiency savings targets following the review by Sir Peter Gershon. Initially local authorities were set annual efficiency savings targets of 2.5%. These targets increased to 3% from 2008 and 4% in 2010/11.

The efficiency savings are now referred to as value for money gains and councils are required to submit information on their value for money gains to Government as a national indicator and include them on the council tax bills and in the accompanying leaflet. The Council currently forecasts that for 2008/09 and 2009/10 it will have achieved value for money gains of £11.2m compared to its target of £11.1m.

The Council has recognized the need to demonstrate to its taxpayers that it provides value for money and made it one of the Council's key commitments so that Council staff spend taxpayers' money as if it were their own. In order to drive forward the increasing need for value for money the Council has initiated a transformation programme under the title "Better working, Better Services". A number of initiatives have already commenced under the transformation programme with the initial emphasis on identifying efficiencies within back office functions in order to release funding to prioritise front line services to the public.

The Consultation budget includes many examples of savings which will be found from more efficient working practices, centralization of some support functions and greater use of technology.

SECTION 1. SUMMARY OF BUDGET PROPOSALS 2010/11

Summary and Council Tax Requirement 2010/11

Budget Requirements	Adjusted 2010/11 Standstill Budget £'000	CABINET BUDGET PROPOSALS		2010/11 Budget £'000
		Growth £'000	Savings £'000	
Directorate Expenditure - Cost of CMBC Services to the Public				
Chief Executive's Office	6,129	3	-126	6,006
Deputy Chief Executive	25	2	-163	-136
Adult Health & Social Care	58,275	125	-1,043	57,357
Children and Young People	45,743	1,412	-679	46,476
Economy & Environment	34,521	876	-933	34,464
Stronger Safer Communities	25,758	282	-486	25,554
Cross Council	0	0	-1,271	-1,271
Total of Directorate Budgets	170,451	2,700	-4,701	168,450
Levies and Accounting Adjustments	9,374	0	0	9,374
Increased Demand for Existing Services	0	0	0	0
Service Development	0	0	0	0
Total Gross Requirements	179,825	2,700	-4,701	177,824
Contribution to Capital Programme	700			700
Contribution from(-)/(+)to Balances	84	84	0	168
Total Net Requirements	180,609			178,692

2010/11 Calculation of Calderdale MBC Element of Council Tax

2009/10 Council Tax			£'000	Band D Equivalent	
2 Adults £ p	1 Adult £ p			2 Adults £ p	Change %
		Calderdale MBC Net Expenditure (excl Parishes)	178,692		
		Revenue Support Grant	-10,335		
		Unified Business Rate	-71,174		
		Area Based Grant	-16,687		
		Collection Fund Deficit / Surplus	-400		
1,239.29	929.47	Met by Council Tax	80,096	1,226.90	-1.00%

Budget Proposals and Indicative Council Tax Requirement 2011/12

Budget Requirements	Adjusted 2011/12 Standstill Budget £'000	CABINET BUDGET PROPOSALS		2011/12 Budget £'000
		Growth £'000	Savings £'000	
Directorate Expenditure - Cost of CMBC Services to the Public				
Chief Executive's Office	6,361	3	-239	6,125
Deputy Chief Executive	25	2	-300	-273
Adult Health & Social Care	59,969	125	-1,748	58,346
Children and Young People	46,332	1,412	-1,902	45,842
Economy & Environment	35,611	876	-1,146	35,341
Stronger Safer Communities	25,794	232	-660	25,366
Cross Council	0	0	-2,972	-2,972
Total of Directorate Budgets	174,092	2,650	-8,967	167,775
Levies and Accounting Adjustments	12,404	0	0	12,404
Increased Demand for Existing Services	0	0	0	0
Service Development	0	0	0	0
Total Gross Requirements	186,496	2,650	-8,967	180,179
Contribution from(-)/(+)to Balances	-973	388	0	-585
Total Net Requirements	185,523			179,594

2011/12 Calculation of Calderdale MBC Element of Council Tax

2010/11 Council Tax			£'000	Band D Equivalent	
2 Adults £ p	1 Adult £ p			2 Adults £ p	Change %
		Calderdale MBC Net Expenditure (excl Parishes)	179,594		
		Revenue Support Grant	-10,335		
		Tax Base Adjustment	700		
		Unified Business Rate	-71,174		
		Area Based Grant	-16,687		
		Collection Fund Deficit / Surplus	-400		
1,226.90	920.17	Met by Council Tax	81,698	1,251.43	2.00%

Budget Proposals and Indicative Council Tax Requirement 2012/13

Budget Requirements	Adjusted 2012/13 Standstill Budget £'000	CABINET BUDGET PROPOSALS		2012/13 Budget £'000
		Growth £'000	Savings £'000	
Directorate Expenditure - Cost of CMBC Services to the Public				
Chief Executive's Office	6,606	3	-239	6,370
Deputy Chief Executive	25	2	-425	-398
Adult Health & Social Care	62,018	125	-2,248	59,895
Children and Young People	47,510	1,412	-1,968	46,954
Economy & Environment	36,880	876	-2,046	35,710
Stronger Safer Communities	26,399	182	-810	25,771
Cross Council	0	0	-6,122	-6,122
Total of Directorate Budgets	179,438	2,600	-13,858	168,180
Levies and Accounting Adjustments	13,782	0	0	13,782
Increased Demand for Existing Services	0	0	0	0
Service Development	0	0	0	0
Total Gross Requirements	193,220	2,600	-13,858	181,962
Contribution from(-)/(+)to Balances	0	0	-733	-733
Total Net Requirements	193,220			181,229

2012/13 Calculation of Calderdale MBC Element of Council Tax

2011/12 Council Tax			£'000	Band D Equivalent	
2 Adults £ p	1 Adult £ p			2 Adults £ p	Change %
		Calderdale MBC Net Expenditure (excl Parishes)	181,229		
		Revenue Support Grant	-10,335		
		Tax Base Adjustment	700		
		Unified Business Rate	-71,174		
		Area Based Grant	-16,688		
		Collection Fund Deficit / Surplus	-400		
1,251.43	938.58	Met by Council Tax	83,333	1,276.46	2.00%

Children and Young People - Summary of services provided

CALDERDALE CHALLENGE AND BSF

The Calderdale Challenge works on behalf of the Children's Trust which brings together key decision makers working for our young people and their families. The Calderdale Challenge campaigns for those who serve our children and young people to work together better so that we achieve our ambitions for them faster.

It promotes a variety of projects to that effect, including the Building Schools for the Future programme. The service manages home to school transport, school admissions and acts as agent in the administration of student loans and awards. The service also plays an important role in health and safety, the management of the school estate and the planning of school places.

CHILDREN'S SOCIAL CARE

Children's Social Care is responsible for assessing and meeting the needs of children in need, looked after children and care leavers and children subject to a Child Protection Plan.

Social care for children and families provides help to families to enable them to meet the needs of their children. The service can provide support to families and more specialist help when it is needed to enable children to be brought up and cared for within their own families.

The following services are available:

- protecting children relies upon working in partnership with children, parents and other organisations
- providing care for children who, for whatever reason, cannot be cared for by their own families
- assessing the needs of disabled children and young people
- offering help and advice to families; carrying out work with young people who have committed crime

CHILDREN'S TRUST

Children's Trust is the 'team around the Directorate' providing a range of support services under Business Improvement and Commissioning and Partnership. The area of business improvement provides a range of front-line and support services to customers including parents, children, young people and schools. This area has lead responsibility for ensuring the provision of effective finance and management information, including the Children and Young People's (CYP) Plan to support budget and business planning. The Safeguarding Unit is located in this service to ensure fully independent and objective performance monitoring of local safeguarding and care services and supports the work of the Calderdale Safeguarding Children Board.

The area of Commissioning and Partnership is responsible for ensuring that the needs of all children, young people and families are assessed and appropriate support is provided, through commissioning packages for support for individuals. We work closely with the Primary Care Trust (PCT) on a single approach to commissioning on behalf of the Children's Trust. This service also manages the Teenage Pregnancy Strategy.

FAMILY SUPPORT

Family Support Services is responsible for providing a range of flexible and accessible preventative, early intervention and support services. The service plays an important role in improving outcomes for children, young people and their families by increasing the support at an earlier stage. The service manages early years, family support, young people's services, integrated youth support services, extended services including extended schools and children's centres, support to children and young people in school (behaviour support, attendance and looked after children and young people) and Youth Offending Team.

LEARNING

Learning Services is responsible for monitoring, supporting and challenging schools to improve attainment and the quality of provision for children and young people aged 3 to 19. There are over 18,500 primary and 15,500 secondary pupils being educated in Calderdale schools. The service also has the responsibility to intervene in schools when appropriate. The service carefully targets resources provided through the primary and secondary national strategies to secure improvement standards in teaching and learning. Within Learning Services is located the Music Service and Adult and Community Learning.

Children and Young People - (After Proposed Growth and Savings)

2010/11 Draft Budget £'000		2011/12 Draft Budget £'000	2012/13 Draft Budget £'000
	Group Services		
24,875	Children and Young People	25,177	25,904
19,015	Childrens Social care	18,160	18,611
2,586	Learning Services	2,505	2,439
46,476	Net cost of providing Services to the public	45,842	46,954
	Types of Expenditure		
114,958	Employee Related	115,212	115,846
10,921	Premise Related	10,947	10,978
3,466	Transport Related	3,532	3,607
50,286	Supplies and Services	41,716	41,889
18,195	Agency (External Contracts etc)	18,206	18,598
5,485	Transfer Payments (eg benefit payments etc)	5,485	5,485
203,311		195,098	196,403
	Internal Non Cash Transactions		
5,382	Internal Recharge Expenditure	5,376	5,376
6,560	Capital Charges	6,560	6,560
-2,629	Internal Recharge Income	-2,629	-2,629
212,624	Cost of Directorate	204,405	205,710
	Income		
-162,037	Grants - Government and Other	-154,316	-154,365
-4,033	Customer Client Receipts	-4,159	-4,293
-78	Other Interest and Appropriations	-88	-98
46,476	Net cost of providing Services to the public	45,842	46,954

Children and Young People – Additional resources directed to priority areas

BRIEF DESCRIPTION	2010/11 Total £	2011/12 Total £	2012/13 Total £
Vulnerable Young People Work Support Officer	40,000	40,000	40,000
LAC Virtual Headteacher	80,000	80,000	80,000
Children's Care Services	500,000	500,000	500,000
Children's Social Workers	400,000	400,000	400,000
Imagination Library and Book Start	380,000	380,000	380,000
	1,400,000	1,400,000	1,400,000
<u>Cross Council Development Apportioned Across Directorates</u>			
Income inflation 2010/11 reduced from 2.25% to 1%	11,630	11,630	11,630
	11,630	11,630	11,630
GROWTH TOTAL	1,411,630	1,411,630	1,411,630

Children and Young People – Initiatives to fund allocation of resources to new priority areas

BRIEF DESCRIPTION	2010/11 Total £	2011/12 Total £	2012/13 Total £
Income Generation			
Schools electrical testing	-36,000	-36,000	-36,000
	-36,000	-36,000	-36,000
Service efficiencies			
Reduction in out of area placements	0	-400,000	-400,000
Music Service Review	0	-66,000	-132,000
Reduction in use of agency workers (and other savings if required)	0	-400,000	-400,000
	0	-866,000	-932,000
Transformation			
Transformation - Review of management structure	0	-250,000	-250,000
	0	-250,000	-250,000
<u>Cross Council Savings Apportioned Across Directorates</u>			
Service efficiencies			
2010/11 Pay Award (Assuming pay freeze)	-484,990	-484,990	-484,990
Price Inflation in 2010/11 reduced from 2.25% to 1%	-157,860	-157,860	-157,860
Cash Limit Area Based Grants		-107,560	-107,560
	-642,850	-750,410	-750,410
SAVINGS TOTAL	-678,850	-1,902,410	-1,968,410