



Joint Housing & Social & Health
Care
Overview & Scrutiny Committee
28 January 2014

Council Fund Revenue Budget 2014/15



Purpose of today's meeting:-

- » To provide Scrutiny Members with:-
 - » **an overview of the draft budget proposals for 2014/15**
 - » **Details of proposals specific to the services particular to this committee**

- » To advise of the ongoing work to close the remaining revenue budget gap

- » Set out the next steps and timescales

National Context and Local Impact

- » WG funding to local government significantly reduced
- » Our indicative settlement of a small increase became a 4% cut in cash terms
- » Our planned “budget gap” of £7.6m grew to a projected £16.5m over the course of the summer of 2013 based on intelligence / speculation, which was borne out in the financial settlement
- » Details have been provided in MTFP updates at 31st May and 30th September and subsequent reports
- » Unprecedented scale of planning for the Council

Budget Overview

<u>Funding</u>	£m
Aggregate External Funding (RSG & NDR)	192.942
Council Tax	60.776
Budget Requirement	253.718
<u>Unhypothecated Grants</u>	
Outcome Agreement Grant	1.458
Use of Reserves - Investment Strategy	6.250
Specific Grants (Estimated)	35.519
Total Funding	296.945

Budget Overview

Expenditure

Total Budget 2013/14		293.346
Previous Year's Growth / Items Dropping Out	Appendix 4	1.138
Pay & Price Inflation	Appendix 5	2.425
New Responsibilities and Transfers into the Settlement	Appendix 6	0.092
Pressures and Investments - Ongoing	Appendix 7	4.697
Pressures and Investments - One-off and Time Limited		4.800
Efficiencies	Appendices 2 & 3	(11.030)
Less Specific Grants 2013/14	Appendix 8	(33.127)
Plus Specific Grants 2014/15 (Estimated)	Appendix 8	35.519
Total Expenditure		297.860
Shortfall		0.915

How did the budget gap reduce?

	£m	£m
Budget Gap as at MTFP September 2013		16.556
Changes to Funding (Prov Sett)		<u>(0.418)</u>
		16.138
Change to Council Tax Base and Collection Rate to 99%		(0.472)
Other reductions to pressures, previous year decisions etc.		<u>(0.090)</u>
Budget Gap as at November Report		15.576
Impact of Final Settlement		0.132
Other adjustments to pressures, previous year decisions etc.		<u>(0.729)</u>
Revised Budget Gap		14.979
Corporate/Functional Efficiencies	(8.080)	
Workforce Efficiencies	<u>(2.950)</u>	
		(11.030)
Removal of Investment budget (one-off)		(1.580)
Transitional Funding		<u>(1.454)</u>
Remaining Budget Gap - January 2014		0.915

Organisational Redesign & Change

- » “Front ends” organisational costs reductions in 2014/15
- » Protects services as far as possible
- » Allows time for more detailed consideration of service choices for 2015/16 and beyond
- » Four Sub Programmes
 - » Organisational Design: Structure & Operating Model
 - » Operational Design: Workforce
 - » Corporate Value for Money (VFM)
 - » Functional Value for Money (VFM)



Organisational Redesign: Structure and Corporate Operating Model

- » Aims
 - » To improve the way in which the Council works and make significant reductions in senior management costs

- » First phase (Directors and Heads of Service)
 - » Review began in November, consultation due in February, adoption by Council by end March, introduced by June
 - » Expert independent advice to support Cabinet

- » Second phase (Grades M1-M9)
 - » Overlaps with phase one
 - » Implemented in sequence

- » Target saving £2m in full year and £1.45m planned for 2014/15



Organisational Redesign: Workforce

- » Review of workforce below senior management
- » Planned approach being designed with a targeted reduction by function matched as far as possible to expressions of interest (to be invited from 3 February)
- » No entitlement and based on mutuality of personal requests with the business needs of services
- » Overseen by a senior review panel
- » Impacts of prior service reviews and strict vacancy management will be taken into account
- » Target Saving £1.5m planned for 2014/15

Corporate VFM & Functional VFM

- » VFM model replaces previous targeted service reviews and annualised efficiency approaches followed under Flintshire Futures or budget programmes
- » Corporate Programme:
 - » Cross organisational spend e.g. procurement, administration support, supplies and services
- » Functional Programme:
 - » Individual functional (service) areas
 - » Contain pressures which drive cost, re-prioritise, remodel, internal team merger etc opportunities



Detailed proposals for this Committee

- » Inflation
- » Transfers into Settlement
- » Pressures and Investments
- » Efficiencies
- » Prior Year Decisions for information



Housing Services

HOUSING SERVICES - INFLATION

	£m	£m
<u>Pay</u>		
Pay Inflation from April 2014 (1%)	<u>0.025</u>	0.025
<u>Price</u>		
Targeted General Price Inflation (1.5% - 3%)	<u>0.009</u>	0.009
<u>Non Standard</u>		
Energy - Other (8%)	0.002	
Non Domestic Rates (2%)	<u>0.001</u>	0.003
<u>Income</u>		
Total Inflation Community Services Housing		<u><u>0.037</u></u>

HOUSING SERVICES - EFFICIENCIES

Organisational Change Corporate Value for Money Programme

Community Services Housing	2014/15 £m	2015/16 £m	2016/17 £m
Procurement	0.106	0.106	0.136
Back to Basics	0.004	0.004	0.004
Total Corporate VFMEfficiencies - Community Services Housing	0.110	0.110	0.140

HOUSING SERVICES - EFFICIENCIES

Organisational Change Functional Value for Money Efficiencies

Community Services - Housing

	2014/15	2015/16	2016/17
	£m	£m	£m
Housing Services			
Administration	0.022	0.022	0.022
Community Support Services	0.019	0.037	0.037
Total Housing Services	0.041	0.059	0.059
Community Services - Review of final out-turn for 2012/13			
Housing Services - Wardens Restructure	0.110	0.110	0.110
Total review of final out-turn for 2012/13	0.110	0.110	0.110
Total Functional VFM Efficiencies - Community Services Housing	0.151	0.169	0.169

PRIOR YEARS DECISIONS

APPROVED 2012/13 BUDGET

£m

Housing Renewal Agency - income

0.104

Management Efficiencies Through Collaborative Working

(0.025)

0.079

APPROVED 2013/14 BUDGET

Homelessness - timing of presentations

0.106

0.106

Total Prior Year Decisions Community Services Housing

0.185



Social Care

SOCIAL CARE - INFLATION

	£m	£m
<u>Pay</u>		
Pay Inflation from April 2014 (1%)	<u>0.260</u>	0.260
<u>Price</u>		
Targeted General Price Inflation (1.5% - 3%)	<u>0.564</u>	0.564
<u>Non Standard</u>		
Energy - Other (8%)	0.011	
Fuel - (11.2%)	0.001	
Food (5.8%)	<u>0.039</u>	
		0.051
<u>Income</u>		
Total Inflation Community Services - Social Services		<u><u>0.875</u></u>

SOCIAL CARE – PRESSURES/ INVESTMENTS

Pressures & Investments

	2014/15 £m	2015/16 £m	2016/17 £m
<u>Community Services</u>			
Increase in Foster Care Placements	0.250	0.250	0.250
Children's Out of County Placements	0.250	0.250	0.250
Increase in Direct Payments for Social Services for Children	0.060	0.060	0.060
Well Check Increased contribution to service	0.040	0.040	0.040
Independent Living Fund (ILF) estimate of impact of transfer into RSG	0.000	0.450	0.450
Transition to Adulthood	0.000	0.000	0.700
Total Pressures & Investments Community Services	0.600	1.050	1.750

SOCIAL CARE - EFFICIENCIES

Organisational Change Corporate Value for Money Programme

Community Services

	2014/15 £m	2015/16 £m	2016/17 £m
Procurement	0	0	0
Back to Basics	0.036	0.036	0.036
Total Corporate VFM Efficiencies - Community Services Social Services	0.036	0.036	0.036

SOCIAL CARE - EFFICIENCIES

Organisational Change Functional Value for Money Efficiencies

Community Services	2014/15	2015/16	2016/17
	£m	£m	£m
Social Services for Adults			
Learning Disabilities – Short Term Care	0.045	0.057	0.070
Learning Disabilities – Short Term Care	0.023	0.023	0.023
Learning Disabilities – Enhanced Community Residential Services	0.031	0.037	0.037
Direct Payments	0.048	0.072	0.096
Structural realignment	0.032	0.064	0.064
Learning Disabilities – Day Opportunities	0.013	0.013	0.013
Assets - Relocation of Estuary Crafts	0.024	0.047	0.047
Total Social Services for Adults	0.216	0.313	0.350
Social Services for Children			
Structure realignment	0.053	0.053	0.053
Accommodation Efficiencies	0.019	0.037	0.037
Youth Justice Service	0.050	0.050	0.050
Total Social Services for Children	0.122	0.140	0.140

SOCIAL CARE - EFFICIENCIES

Organisational Change Functional Value for Money Efficiencies - Cont'd

	2014/15 £m	2015/16 £m	2016/17 £m
Development and Resources			
Increase in income through charging	0.074	0.104	0.104
Total Development and Resources	0.074	0.104	0.104
Community Services - Review of final out-turn for 2012/13			
Intake & Reablement	0.360	0.360	0.360
Locality Teams	0.250	0.250	0.250
Disability Services - Resources & Regulated Services	0.250	0.250	0.250
Disability Services - disability services	0.250	0.250	0.250
Disability Services - Transition & Disability Services	0.822	0.822	0.822
Mental Health	0.100	0.100	0.100
Social Services for Children	-0.250	-0.250	-0.250
Total review of final out-turn for 2012/13	1.782	1.782	1.782
Total Functional VFM Efficiencies - Community Services	2.194	2.339	2.376

PRIOR YEARS DECISIONS

APPROVED 2012/13 BUDGET

£m

Homecare - Increased complexity of care
Transition to Adulthood

0.100
0.975

1.075

APPROVED 2013/14 BUDGET

Mental Health - Additional Social Work support
Transition to Adulthood
Disabled Facility Grants / Aids and Adaptations
Children's Services - Removal of one team manager post
Development and Resources - Rationalisation of Management Team

0.010
0.129
0.016
(0.013)
(0.050)

0.092

Total Prior Year Decisions Community Services Social Services

1.167



Ongoing Work to finalise budget

- » Base Budget
 - » 2013/14 budget monitoring
 - » Potential base budget impacts for 2014/15 & beyond
 - » Potential for further efficiencies
 - » Value for Money: procurement and back to basics
 - » Workforce: costs of employment
 - » Schools Budget inflationary pressure
 - » Council Tax level
- » Investment Costs (one – off)
 - » Investment costs needed to deliver change
 - » Review of reserves and balances

Next Steps

3rd February

- » Corporate Resources (all Members)
 - » Revenue – review of feedback & budget update
 - » Capital Programme

18th February

Cabinet and Council to agree the council fund budget, council tax and capital programme for 2014/15