



2015-16 Council Fund Revenue Budget

**Corporate Resources Overview &
Scrutiny Committee
22nd January 2015**





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National Position

- » Final Local Government Settlement published with a marginal reduction in Council funding through the Revenue Support Grant (-£0.065M)
- » Continuing risk of further reductions in specific grants
- » The 'consequential' revenue provision for Wales from the Chancellor's recent budget statement now allocated by Welsh Government with no additional funding for local government for service protection





Revised Local Position

- » Original Council Fund budget gap for 2015-16 at £16.4M based on the Settlement
- » Following the first draft budget report to Cabinet in December a 'gap' of £1.76M remained
- » Following a final assessment of the under-achievement of the in-year workforce efficiency targets and the reduction of funding in the Settlement the extended gap stands at £3.625M



Impacts of 14-15 on 15-16

- » A wide programme of workforce reduction targets was set for the 2014-15 budget
- » Any under-achievement in the in-year targets would have impacts on the 2015-16+ budgets
- » Council in adopting the 2014-15 budget accepted a degree of necessary risk in taking this new approach
- » The programme combined the review of Council Structure and Operating Model (management), wider workforce review and a review of administration support and services

Impacts of 14-15 on 15-16

Programme	Budgeted Target £M	Total Achieved £M	Difference £M
Workforce Programmes	2.95	2.50	0.45
Administration Review	1.60	0.80	0.80
Running Total	4.55	3.30	1.25
Base Budget 15-16 Increase	0.55	-	0.55
Total Impact	5.10	3.30	1.80

Further workforce efficiencies of £0.5m have been achieved through Value for Money projects in 14/15



Strategy to Close the Extended Gap

- » Corporate financing options (specifically inflation provision, reserves and balances and central loans and investments)
- » Workforce efficiency projects
- » Income opportunities
- » Reserve further service change options



Up to Date Strategy Position

Option	£M
Procurement Supplier Charging	0.116
Non Standard Inflation Provision Review	0.348
Reduction in Fire and Rescue Authority Levy Provision	0.124
Council Tax Reduction Scheme Projected Provision	0.130
Central Loans and Investments Reviews	1.830
Workforce Efficiency Projects	0.300
Running Total	2.848
Remaining Gap	0.777



Remaining Strategy Actions

- » Review the rigour of method of calculation, the reliability of the figures and the risks
- » Complete review of any further options
- » Revisit income options including Council Tax
- » Assess options for use of 'bridging' reserves and carry forward of efficiency target risk into the new financial year

Big Budget Conversation

- » Big Budget Conversation run in August and September
- » Outcomes from the first stage feedback:
 - » Increased public awareness and concern
 - » Social services for the young and vulnerable particularly valued
 - » Support for charging if it protects services
 - » General support for alternative delivery models, merging services with other councils, and considering increasing Council Tax above 3%



Big Budget Conversation

- » Draft Budget Proposals published mid December
- » Website and Your Council Electronic Newsletter Circulation (9200 newsletter circulation)
- » Public information with the option for feedback (3000 budget website pages 'hits' with 90+ feedback forms received)
- » Equal Impact Assessment work ongoing with consultation with local representative organisations
- » Public feedback to be provided to Overview and Scrutiny Committees to inform budget scrutiny
- » Specific engagement with town and community councils and other local organisations on community assets ongoing





Member Involvement

- » Budget planning workshops (end October/early November)
- » Group Leaders and Overview and Scrutiny Chair Briefings
- » Drop-in sessions 19 December and 16 January and individual enquiries and follow-ups
- » Staged Cabinet and Corporate Resources Overview and Scrutiny Committee updates



Overview and Scrutiny

- » Latest corporate position to be shared and explained
- » Each Committee to review budget proposals by portfolio
- » All proposals available with a concentration on those where there has been the greatest member and public interest and comment
- » Fuller information sheets on proposals available
- » Public feedback to be made available to inform members in their representative democracy role
- » Corporate Resources to review the corporate financing options for the strategy for closing the budget 'gap'



Final Steps in the Budget

- » Complete work on gap closure options
- » Overview and Scrutiny special budget meetings through January
- » Cabinet finalises the budget – 17th February
- » Full Council sets budget – 17th February
- » Full Council sets Council Tax – 3rd March



Medium Term Financial Plan Review

- » Full review led by Cabinet with Corporate Resources Overview and Scrutiny input from February – May with a republished MTFP for 2015/16 to 2017/18
- » MTFP to combine full forecast of predictive income and expenditure with a more advanced organisational change and efficiencies plan
- » Organisational change and efficiencies plan to combine corporate financing options with an efficiencies programme which builds on the new chief officer portfolio business plans



Service Budget Proposals

PEOPLE & RESOURCES BUDGET 2015/16



People and Resources

- » Total portfolio proposals equate to 7.5% of the revenue budget
- » Main Priorities are:
 - » Demand management exercise to upskill managers to become increasingly self sufficient in people and budget management
 - » Redefine roles and responsibilities of HR and managers in services to reflect these revised responsibilities and ways of working
 - » Implementation of Collaborative Planning software to modernise and simplify budget monitoring business processes
 - » Review of operating models, structures and job designs to reflect new smarter working practices and reduce posts

People and Resources Budget 2015/16

Business Plan efficiencies

No	Specific Proposals	15-16 Proposals £m	RISK status for the acceptability and deliverability of the proposal
FINANCE			
1	Implementation of Collaborative Planning Software to finance to improve and automate our processes thus enabling workforce efficiencies	0.170	G
2	Phased roll out of new finance model.		G
3	Review of specialist finance functions to identify efficiencies in process.		G
4	Ensure continuation of grant maximisation opportunities identified in 2014/15		G
Totals		0.270	

People and Resources Budget 2015/16

Human Resources & Organisational Design			
1	Effective people management skills to increase levels of Managers' self sufficiency		
2	Redefine clear roles and responsibilities for Human Resources (HR) / managers		
3	Review of Human Resources & Organisational Design operating model and job roles		G
4	Further roll-out (50%) of Flexible & Agile Working arrangements (phase 1)		G
5	Implementation of iTrent Self Service to Schools	0.105	G
6	Outsourcing of First-Aid training	0.010	G
	Totals	0.115	
Total	People & Resources	0.385	



Service Budget Proposals

GOVERNANCE BUDGET 2015/16



LEGAL

» **Increase Income £25K**

Risk : Green

- » Increasing our fees in line with other North Wales Councils
- » Average income as % of budget is 4% for FCC compared with 12% for Wales

» **Staffing £71K**

Risk : Green

- » Previously 2 teams in Legal each headed by Principal Solicitor
- » Both have left and will be replaced at a lower grade and a single new post created to manage the whole service
- » Work will be shared with Wrexham to effectively increase the size of the team and thus resilience, capacity etc



DEMOCRATIC SERVICES

- » **Reduce budgets £53K** **Risk : Green**
 - » Historically have budgeted for maximum number of places on Cabinet, inflationary increases in allowances and for a higher than actual level of expense claims

- » **Consolidate Multiple Teams £24K** **Risk : Green**
 - » 4 small teams each with its own manager
 - » The teams will be combined, a vacant post will be deleted and a further post lost (11 FTE to 9 FTE)
 - » The number of meetings supported will be reduced to accommodate the reduction in employees
 - » The Member Support and Executive Support Teams will be merged and reduced in size (4.5 FTE to 3 FTE)
 - » The merged team will provide support to the Civic and Executive Members



ICT

- » **Collaborate with Wrexham £75K Risk : Red**
 - » Will explore whether it is possible to make savings by combining teams
 - » If this is not possible an alternative list of potential savings has been prepared

Governance Budget 2015/16

» Business Plan efficiencies

Governance

No	Specific Proposals	15-16 Proposals £m	RISK status for the acceptability and deliverability of the proposal
LEGAL			
1	Increase income	0.025	G
2	Staffing - service review	0.071	G
Totals		0.096	

DEMOCRATIC			
1	Reduce budgets in line with historic spend	0.053	G
2	Staffing - consolidate multi teams into a single team	0.024	G
Totals		0.077	

ICT			
1	Reduction in management and staff costs through delivery of shared IT Service with Wrexham	0.075	R
Totals		0.075	

Total Governance

0.248



Service Budget Proposals

ORGANISATIONAL CHANGE BUDGET 2015/16



Organisational Change

- » Main service priorities:-
 - » Leaning service areas;
 - » Increased rental income;
 - » New ways of delivering Design and Property Services;
 - » Rationalisation of assets supporting new ways of working

Organisational Change Budget 2015/16

» Business Plan Efficiencies Organisational Change

9	CCTV Income increases	0.010	A
Totals		0.010	
10	Other Maintenance	0.005	G
Totals		0.005	
11	Valuations & Estates Lease renewals	0.023	A
12	Office management	0.002	G
13	Estate management cost recovery (dilapidations etc)	0.005	A
Totals		0.030	
14	Property Maintenance & Design Reduce maintenance budget	0.150	A
15	Office running costs	0.004	A
16	Office management	0.005	A
Totals		0.159	

Total	Organisational Change	0.204	
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Service Budget Proposals

COMMUNITY & ENTERPRISE BUDGET 2015/16



Community & Enterprise

- » Total portfolio proposals equate to 11% revenue budgets
- » Priority given to income maximisation, to protect services as far as possible, alongside savings proposals
- » Work underway to plan for implementation and prepare customers for changes (subject to approval)
- » Total impact on individual customer groups being analysed

- » Areas for focus of today's discussion
 - » Switchboard service
 - » Registrar service savings
 - » Post office payment facility

Community & Enterprise Budget 2015/16

Business Plan Efficiencies

Community and Enterprise

CUSTOMER SERVICES			
1	Close the personal answering service for main switchboard telephone calls	0.139	A
2	Cancellation of Council full page advert in BT phonebooks	0.008	G
3	Withdraw registration service from outstations and potential transfer of birth declarations to Flintshire Connects	0.030	A
Total Customer Services		0.177	

REVENUES AND BENEFITS			
1	Budget saving e billing / notifications	0.003	G
2	Stopping sending remittance advises to Landlords	0.054	G
3	Staff restructure to match staff costs to Department of Works and Pensions grant for benefits	0.100	A
4	In-house bailiff service	0.100	G
5	Removal of Post Office as payment option	0.035	G
6	2% surcharge on credit card payments	0.025	G
7	Introduce £1 flat charge for paper Council Tax bills	0.060	G
8	Review Single Person Discount	0.150	G
9	Non payment of pensioner grant	0.200	A
10	Decision not to top up Discretionary Housing Payment	0.068	A
		0.795	

Total	Community and Enterprise	0.972	
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Service Budget Proposals

Clwyd Theatr Cymru



Challenge

- » **Flintshire left with the full responsibility for a regional production theatre at last reorganisation**
- » **A significant investment but also a significant economic generator**
- » **Highly valued with a national reputation; out of proportion for a medium-sized Welsh Council**
- » **Without the main theatre the successful Youth Theatre arm is not viable**



Proposal

- » **Develop a new and more efficient operating model**
- » **Set a 1/3 Council budget reduction (£350k) over 2 years with £200k reduction in 2015/16**
- » **Achieve by: reduction in programme from 8 to 6 in house productions; more efficient operation; increase in income**
- » **Appointment of new Artistic Director and future consideration of an alternative method of delivery to support changes**



Organisational Change Budget 2015/16

Business Plan efficiencies

Clwyd Theatr Cymru

No	Specific Proposals	15-16 Proposals £m	Risk status for the acceptability and deliverability of the proposal
14	Proposal to reduce shows and increase productivity	0.200	A



Service Budget Proposals

COUNCIL WIDE AND CENTRAL & CORPORATE BUDGET 2015/16



Council Wide and Central & Corporate Budget 2015/16

» Previous Years Decisions

Approved 2013/14 Budget

Council Wide

Revised effect of Prudential Borrowing costs for agreed Capital Projects	<u>0.916</u>
	0.916

Approved 2014/15 Budget

Central & Corporate

Impact of Actuarial Valuation	1.747
Workforce Organisational Redesign	<u>(0.550)</u>
	1.197

Once Off and Time Limited Pressures

Investment Costs Dropping out	<u>(4.800)</u>
	(4.800)



Council Wide and Central & Corporate Budget 2015/16

» Targeted Price inflation for

Inflation	%	£000
Coroners	2	3
Fire Levy	2	140



Council Wide and Central & Corporate Budget 2015/16

» Pressures and Investments

Pressures and Investments	2015/16 £m	2016/17 £m	2017/18 £m
<u>Central & Corporate</u>			
Impact of 3% CT increase on CTRS	0.308	0.625	0.952
Review of State Pension - estimate	0.000	2.738	2.738
Next Actuarial review - Estimate	0.000	0.000	1.300
Insurance Provision	0.050	0.328	0.328
Prudential Borrowing	0.000	0.252	0.281
Loss of income from Ewloe rent	0.000	0.000	0.532
IT System Maintenance (P2P)	0.062	0.062	0.062
Total Central & Corporate	0.420	4.005	6.193
Transfers in:			
21st Century Schools (LGBI)	0.376		