

REPORT TO:	Executive Board
REPORT NO:	HF/25/14
DATE:	13 May 2014
LEAD MEMBER:	Councillor Malcolm King OBE (Policy, Finance Performance and Governance)
CONTACT OFFICER:	Mark Owen (Tel: 292704)
SUBJECT:	Revenue Budget 2015/16
WARD:	N/A

1. PURPOSE OF THE REPORT

To approve the latest version of the 2015/16 Revenue Budget savings.

2. EXECUTIVE SUMMARY

- 2.1 The Executive Board agreed the 2015/16 Budget planning process on 8 April 2014 (HF/23/14) and at an all member budget workshop on 1 April Members were informed of an estimated budget shortfall of at least £45m over the next five years of which £8.2m related to the 2015/16 financial year.
- 2.2 The Council is following an approach to reshape services to meet future financial challenges. The overall package approach to reshaping services will involve taking a fundamental look at all areas of the Council's work so that resources can be used as effectively as possible.
- 2.3 The local government provisional settlement is expected to be announced in October and it is at this point that the Council will have a specific indication of its funding for 2015/16. At this point it is working on an indicative figure which was included in the 2014/15 settlement which indicated a reduction of -1.5% in Welsh Government grant funding.
- 2.4 During the preparation of the 2014/15 budget a number of areas were shared in the November, December and January Executive Board reports which related to 2015/16. These are outlined in Appendix 1, together with a number of savings identified early. These are presented for Executive Board approval. These total £4,376k.

3 RECOMMENDATIONS

3.1 That Members approve the savings identified in Appendix 1 in principle for consultation.

REASONS FOR RECOMMENDATIONS

To enable the Council to start to formulate its revenue budget for 2015/16.

4. BACKGROUND INFORMATION

4.1 The Council's Medium Term Financial highlights the need to make savings of £8.2m for the period 2015/16. At an all member budget workshop in April 2014 members were reminded of the financial planning parameters may change significantly and that the Council should be planning to find as much of the £45m required over the next five years as early as possible. The Medium Term Financial Plan was part of the documents approved by Council on 26 February 2014. The assumptions made in respect of 2015/16 were as follows:

- Council tax increase of 3%
- Assumed decrease in grant funding of -1.5% (All Wales average increase)
- Inflation assumption as follows:
 - Teaching and non teaching pay award of 1%
 - General price increases of 2%
- Known unavoidable commitments
- Outcome Agreement grant will be received but at 2014/15 level.

4.2 The Council is likely to receive further detail on the Welsh Government budget in September 2014 and will receive the Local Government Provisional Settlement in October 2014. Clearly, we cannot wait until this point to formulate the Council's budget given the need to consult and engage. This is why a process was agreed at the April 2014 Executive Board which started early in the year.

Reshaping Services

4.3 The Council has put in place a Change Programme to enable it to meet the financial challenges, through reshaping services while prioritising the most vulnerable. The Council has adopted a package approach to identifying opportunities.

4.4 The list of savings in Appendix 1 excludes schools and totals £4,376k. These savings are the ones that were contained in reports to the Executive Board in November, December and January for 2015/16, together with a small number which have been already considered recently.

4.5 Consultation -The majority of items contained in Appendix 1 have been considered previously by the Executive Board and relate to the areas consulted on during the preparation of the 2014/15 budget process.

4.6 **Policy Framework** – These consultation proposals have been formulated with close regard to the Council Plan 2013-2017.

The proposed savings have been carefully drafted to minimise the impact on the Council's priority outcomes.

4.7 **Budget** – The Council's net revenue budget for 2014/15 is £227m as agreed on 26 February 2014 (HF/09/14).

4.8 **Legal** – There is a legal requirement to set a balanced Council Budget for 2015/16 and to set consequent council tax levels.

4.9 **Staffing** – There are staffing implications contained within the proposed budget savings.

4.10 **Equality/Human Rights** – Relevant equality impact assessments for the proposed budget savings are available on the Council's website.

http://www.wrexham.gov.uk/english/council/budget_book/rev_budget.htm

4.11 **Risks** – Heads of Department have undertaken risk analyses of proposed savings.

5. CONSULTATION

5.1 The majority of items contained in Appendix 1 have been considered previously by the Executive Board and relate to the areas consulted on during the preparation of the 2014/15 budget process.

6. SCRUTINY COMMITTEE COMMENTS

6.1 These proposals have not been considered by Scrutiny.

BACKGROUND PAPERS	LOCATION	WEBSITE INFO.

APPENDIX 1

Planned Savings to date for 2015/16					
	As reported to the Executive Board 14.01.14	Revised	Additional proposals at 31.03.14	Total Proposed Savings	Additional Information
	£'000	£'000	£'000	£'000	
Environment					
1 Staff Review	0	0	174	174	A staff restructure is being undertaken to realign with future service provision.
2 Reactive Maintenance Review - reduce expenditure on the reactive highway maintenance programme by 5%.	65	65	0	65	The impact would be a reduction in the number of reactive works that can be completed. This will mean non urgent works will be dealt with over longer timescales.
3 Reduction in Ground Maintenance (50% over 2 years).	200	200	0	200	To continue the implementation in reducing grass cutting frequency.
4 Reduction in Planned Highways Maintenance.	0	0	107	107	Ensure more targeted, evidenced and efficient maintenance of the highways network. May result in further deterioration of the network.
Housing & Public Protection					
1 Staff Review	25	25	0	25	This will involve a review of Strategic Housing, Public Protection, Energy Efficiency and Carbon and Administration Teams.
2 Supporting People	300	300	0	300	The proposed savings are from the revenue budget contribution to funding Supporting People services. This is in addition to a reduction in the Supporting People Grant from WG. A reserve has been built up over the past few years in anticipation of WG cuts to the Supporting People Grant and it is intended that this will mitigate some of the effects of the revenue budget savings and grant cuts. The proposals will result in a reduction in services, some of which are provided by Adult Social Care and others by external organisations and discussions have already begun to mitigate the impact.
3 Increase weekly service charge for HRA homeless properties (eligible for housing benefit)	0	0	20	20	The service charge is to cover the costs of managing homeless accommodation. The charge has been increased from £20 to £40 per week.
Adult Social Care					
1 Staff review	0	0	214	214	There are two areas of savings: Review staffing structure and service delivery within the Community Inclusion Service as part of reshaping of day and Work Opportunities in Learning Disability Service. Review management capacity in Adult Social Care in line with the reshaping of services.
2 Retender 5 supported living schemes	125	125	0	125	We currently contract with BCHUB to provide services for 5 supported living schemes. To comply with procurement requirements we have to retender. There are possible TUPE implications, this will require careful planning and involve consultation with service user and carers. This saving is spanned over 2014/15 and 2015/16.
3 Repatriation / Review - review out of county service users and repatriate to Wrexham	200	200	0	200	Review out of county service users and where possible repatriate to Wrexham. We need to work closely with the Housing department and providers of special housing to ensure there is enough housing stock to progress. We will also review all care packages with a view to ensuring that we can meet people's needs in potentially different ways.

4	Review and Retender Domiciliary Care - review all packages (14/15) and retender domiciliary care at Plas Yn Rhos and other contracts (15/16)	221	221	429	650	All domiciliary care packages will be reviewed with a view to reprioritising packages by an overall average of 5%. This will involve greater scrutiny of initial assessments for support and potential changes to the level of support provided after assessment/review. £221k (2015/16) – Tender domiciliary care at Plas Yn Rhos. This Sheltered Housing service is currently provided In House, Staff affected will be transferred to the reablement service. £429k (2015/16) – Retender domiciliary contracts. Current contracts expire March 2015; the expectation is that there will be a 5% reduction in costs through a planned retendering process.
5	Reshape Supported Living model	200	200	0	200	Review supported living arrangements for people with learning disabilities with a view to moving towards more shared living arrangements which would reduce overall staffing costs. Asses impact of Welfare Reform on different models.
6	Review of day care provision	100	100	0	100	Whilst it is recognised there continues to be a need for building based support day services provision should move towards a hub and spoke model which is firmly integrated in the local community. This may lead to the reprovision or amalgamation of current building based services.
7	Appointeeship service self financing	0	0	129	129	The proposal is to increase the current £5 charge to £10 per week
8	Review training budget	0	0	50	50	This involves reviewing and re-prioritising training and refocusing on key essential training to meet statutory requirements. It will involve some reduction in the current training plan.
	<u>Lifelong Learning</u>					
1	Staff review	0	0	110	110	Next phase of the departmental restructure - at Tiers 4 and 5 - various staff reductions through restructure and changed working practices
2	14 - 19 Learning Pathways	82	82	0	82	Continuation of 14-15 savings: Schools to fund own Learning Coaches
3	School Music Service (Total £116k: £48k 2014-15 / £68k 2015-16)	68	68	0	68	Continuation of 2014-15 savings: achieved from increase income and changing working practices
4	School Library Service	115	115	0	115	Cease partnership with Flintshire and Denbighshire: no service to schools
	Schools to fund own redundancy costs (Total £100k - £50k 2014-15 and £50k 2015-16).	50	50	0	50	Implement new Discretionary Redundancy scheme with Schools
5	Maximise grant funding	0	0	100	100	Streamline funding for Early Years and Flying Start - 0-4 settings - by refining the annual funding formula to maximise grant funding
	<u>Prevention & Social Care</u>					
1	Staff Review	27	27	94	121	Review of Disability Services and a range of support services to reduce overall staffing costs in non-critical areas. Reduce AVOW Capacity Building contract by 0.6.
2	Reduce third party funding	8	8	0	8	Family Friends
3	Review respite care	0	0	20	20	Redesign the delivery of respite care at Tapley Avenue which will reduce overall staffing costs.
	<u>Community Well Being & Development</u>					
1	Staff Review	0	0	68	68	This saving is in two parts (£37k – Stop third party funding for the North Wales Regional Waste & Minerals Unit. A three year SLA ended 31/3/14 after which funding has been withdrawn and the work absorbed into the Development Control team. £31k – Staff Review of Community Cohesion and Equality – reduce this activity by 1 FTE (in the interim a temporary appointment only has been made)).
2	Offer dual use community centres to schools	10	10	0	10	This saving will be made if the schools take over the dual use centres, or failing that when they are closed.

3	Leisure Review	311	311	0	311	This saving will be achieved through the transfer of the management of the Leisure Service to an existing leisure trust (as approved by Executive Board on 11/03/14)
	Assets & Economic Development					
1	Closure of Bersham Heritage Centre	58	58	0	58	
2	Departmental Management Team restructure	0	0	58	58	Deletion of one post
3	CCTV lower running costs	112	112	0	112	This saving will be made from lower BT line rental (£80k) and on camera rationalisation (£42k)
	Finance					
1	Staff Review	63	63	142	205	Reduction in Internal Audit, Housing Benefit, Council Tax, Income and Accountancy staff
2	Centralised Debt Recovery	43	43	0	43	Bring together local taxation, debtors and benefits recovery staff
3	Council tax electronic billing	10	10	0	10	Savings relate to postage as email address bank builds up
4	Online processing of housing benefit claims	0	0	20	20	
	Corporate & Customer Services					
1	Staff Review	97	97	76	173	
2	Customer Self Service Arrangements	65	65	0	0	Savings to be achieved across the Authority not within C&CS Department
3	Connect/Update - reduced distribution / web only	6	6	0	6	
4	HR / Payroll integration	88	0	0	0	Following adoption of the new integrated HR/Payroll software amalgamation of the two support functions
5	Reduction in ICT services budget	0	0	21	21	Reduction in Quest software elements,migration to alternative to Syncsort Backup software support, re-procure annual maintenance for storage area networks and removal of third party telephony support
6	Review printing facilities	0	0	17	17	
	Corporate & Central and Cross Cutting:					
1	Staff review - Performance, Improvement & Partnerships Service	0	0	31	31	
	TOTAL PROPOSED SAVINGS	2,649	2,561	1,880	4,376	