

Medium Term  
Financial Plan  
2011/12 – 2014/15

November 2011



## FOREWORD

The new coalition government has made reduction of the nation's budget deficit its top priority. As a consequence North Somerset Council will receive significantly less government funding in the period to 2015. In addition the Council must absorb the impact of rising costs and must redirect funding to meet the care needs of an increasingly elderly and frail population and those more vulnerable children within the District who require care placements.

As a consequence the Council must save at least £47.3 million over the period 2011 – 2015. This is equivalent to £1 in every £3 that we spent on services in 2010/11.

This is the most severe financial challenge that the Council has ever faced.

The Council has a good track record in making savings while improving its performance and the quality of its services. We are confident that more savings can and will be achieved without adversely affecting services. But the scale of challenge is significant and urgent, and it is inevitable that some services will face reductions or be subject to charges.

I do not think that any elected member, or officer for that matter, would want to be in the position of having to bring forward such a budget. None of us were elected, or employed, to make such cuts in council services. Unfortunately, largely as a result of the actions of others, we are where we are, and it is now the responsibility of all of us to deal with the situation and lead the council and community through this difficult period.

Managing the change successfully will require the active support of councillors and staff and, most importantly, local residents and communities. North Somerset Council will look, feel and operate very differently in the future. We will not be able to maintain all services at their current levels, but we will strive, with your help, to minimise the adverse impact on our area and communities.

Despite these difficult times, our vision and ambitions remain the same. We are committed to clear leadership, quality services and an affordable council tax. We remain committed to our ambitious plans for improving North Somerset, which are set out in our draft Corporate Plan for 2011-15.

Given the urgency of the financial position, we recognise the need to press on to make timely decisions, and are grateful for those individuals, businesses, community groups and partner organisations who have taken time to consider and respond to our MTFP consultation. The Council has considered each suggestion and comment put forward and recognises that some proposals included within this document will affect many residents. In continuing to identify further savings, we remain committed to consulting with our stakeholders on the difficult decisions that we face.

**Councillor Nigel Ashton**  
**Leader of Council**

## 1. EXECUTIVE SUMMARY

In this document the Council sets out its draft medium-term financial plan for 2011/12 – 2014/15. It contains our current proposals to close the £47.3 million budget gap.

The document is structured in a series of sections, as follows:

**Section 2** provides a summary of the key outcomes of the Comprehensive Spending Review (CSR) and Local Government Finance Settlement. It highlights the planned reduction in core government funding to Councils of more than 25% over the next four years, together with larger reductions in capital funding.

**Section 3** models the impact of the planned funding reductions on North Somerset Council, indicating that, together with the Council's "normal" budget pressures including inflation and demographics, there is a projected revenue budget deficit of £47.3 million over the period to 2015, representing over 30% of the Council's base spending on services. The section sets out key financial planning risks and concludes that it would be prudent to plan for savings in excess of £47.3 million.

**Section 4** sets out the Council's approach to meet the financial challenge. The Council's starting point is one of low government funding, low spending, low council tax and yet consistently high performance across all major service areas. It has pursued a strategy of getting "ahead of the curve" by making savings in advance of the impact of the CSR. It is therefore well-positioned for the financial challenge and intends to retain its vision of "clear leadership, quality services and an affordable council tax" and its ambitions while accepting that it will have to look, feel and operate very differently in the future.

The section sets out a proposed organisational strategy based on six key themes which is further detailed within **Appendix 2**, and which supports the draft Corporate Plan 2011-15.

**Section 5** introduces the savings and cost pressure proposals within the draft Medium-Term Financial Plan for 2011 – 15 which are presented in **Appendix 3**. The section also provides an outlook for levels of council tax and for specific grants (**Appendix 4**) over the period. The section summarises the savings proposals and indicates that, as net savings currently total over £41 million, there is a need to identify further savings or income to fully close the projected deficit.

**Section 6** provides an update on the revenue budget for the current year of 2011/12, which represents the first year of the four-year Plan. The budget included proposed savings for 2011/12 of £18.9m. To date, progress on achieving the savings has been positive.

**Section 7** provides the context for capital investment for 2011/15 and the current Capital Programme (which is listed at **Appendix 5**) and preparatory work on financial planning for major infrastructure. It concludes that capital resources will remain very constrained over the Plan period.

**Section 8** sets out the timetable for scrutiny and decision-making that has been adopted for the Medium-Term Financial Plan and the Budget for 2012/13. It is important that all members have sufficient opportunity, through Scrutiny and debate at Council, to have a good understanding and to influence the final budget proposals.

**Sections 9 – 12** set out further information on the consultation to be undertaken as part of the process. It also sets out staffing implications, an initial summary equalities impact assessment (**Appendix 6**) and risk management (**Appendix 7**).

## 2. NATIONAL FUNDING FOR NORTH SOMERSET COUNCIL SERVICES

### **Comprehensive Spending Review 2011-15**

On October 20<sup>th</sup> 2010, the Chancellor of the Exchequer set out the government's plans for addressing the national deficit over the next four financial years. The main headlines of the Comprehensive Spending Review concerning Local Government were:

- The Local Government Settlement will be reduced by 25.6% over the 4 year Spending Review period, excluding spending on fire services and police. This equates to a reduction of £6.68 billion. The target reduction for local government was more severe than for most other parts of the public sector.
- Local authorities who freeze their council tax next year (i.e. 2011-12) will have the resultant loss to their tax income funded at a rate of 2.5 per cent in each year of the Spending Review period (all councils in England subsequently took advantage of this offer, and froze their council taxes).
- The Government will devolve financial control to councils. Ring fencing of all revenue grants will end from 2011-12, except simplified school grants and a new public health grant; the number of separate core grants will be radically reduced from over 90 to less than 10.
- An additional £1 billion a year for Personal Social Services grant, which is rolled into local government formula grant. (However this "addition" needs to be viewed within the context of the overall decrease in funding for local government – had it not been for the "addition" the actual level of reduction would have been more severe than the 25.6% quoted above). A further £1 billion by 2015 is planned to be provided to adult social care from the NHS for "investment in social care that benefits health".
- School budgets will be protected in real terms over the four year period.
- Capital funding from all departments to councils will fall by around 45 per cent over the Spending Review period. The Government will prioritise capital investment on areas of greatest economic value, such as high value local transport. Capital spending on schools and social housing will be reduced by over 50%.
- The first community budgets will be run in 16 local areas from April 2011 for families with complex needs. These will pool departmental budgets for local public service partnerships to work together more effectively, help improve outcomes, and reduce duplication and waste.
- Local authorities will be given greater flexibility to manage council tax together with direct control over council tax benefit, within an overall budget that will be reduced by 10% from April 2013.

### **Local Government Finance Settlement 2011/12 and 2012/13**

On 13 December 2010, the Secretary of State for Communities and Local Government made his statement to Parliament concerning the provisional local government finance settlements 2011/12 and 2012/13. Final allocations were confirmed in January 2011.

The settlement provided local authorities with their funding allocations for the next two years (2011/12 and 2012/13) only.

The Secretary of State announced that councils will face an average cut of 4.4%; and that no local authority would experience a decrease of more than 8.9% in 2011/12, as a result of the grant reductions.

It should be noted however that these comparative figures relate to local authority “revenue spending power” – a new definition used by the government, which encompasses an individual authority’s:

- Council Tax Requirement;
- Formula Grant;
- Specific Grants within Aggregate External Finance; and
- NHS funding for social care.

**In fact, the average reduction in Formula Grant, between 2010/11 and 2011/12, on a like-for-like basis, is 9.9%. For North Somerset, the reduction in Formula Grant is 12.5% for 2011/12, and a further 7.7% in 2012/13, reductions that are more severe than the average for all local authorities.**

Despite the reductions, North Somerset continues to suffer through “grant damping”, with its formula allocation reduced by £3m in 2011/12 rising to £4m in 2012/13, to be transferred to top up the allocations of areas elsewhere in the country.

In addition, cuts in specific grants were also announced, notably affecting children’s services and community safety.

### **Local Government Resource Review**

On 18 July 2011, the Secretary of State for Communities and Local Government, Eric Pickles MP, made a statement in Parliament and launched a consultation paper concerning proposals for business rates retention. The consultation paper sets out the government’s general proposals for a business rates (NDR) retention system and how Tax Increment Financing (TIF) and the New Homes Bonus will work within such a system, to be effective from 2013/14.

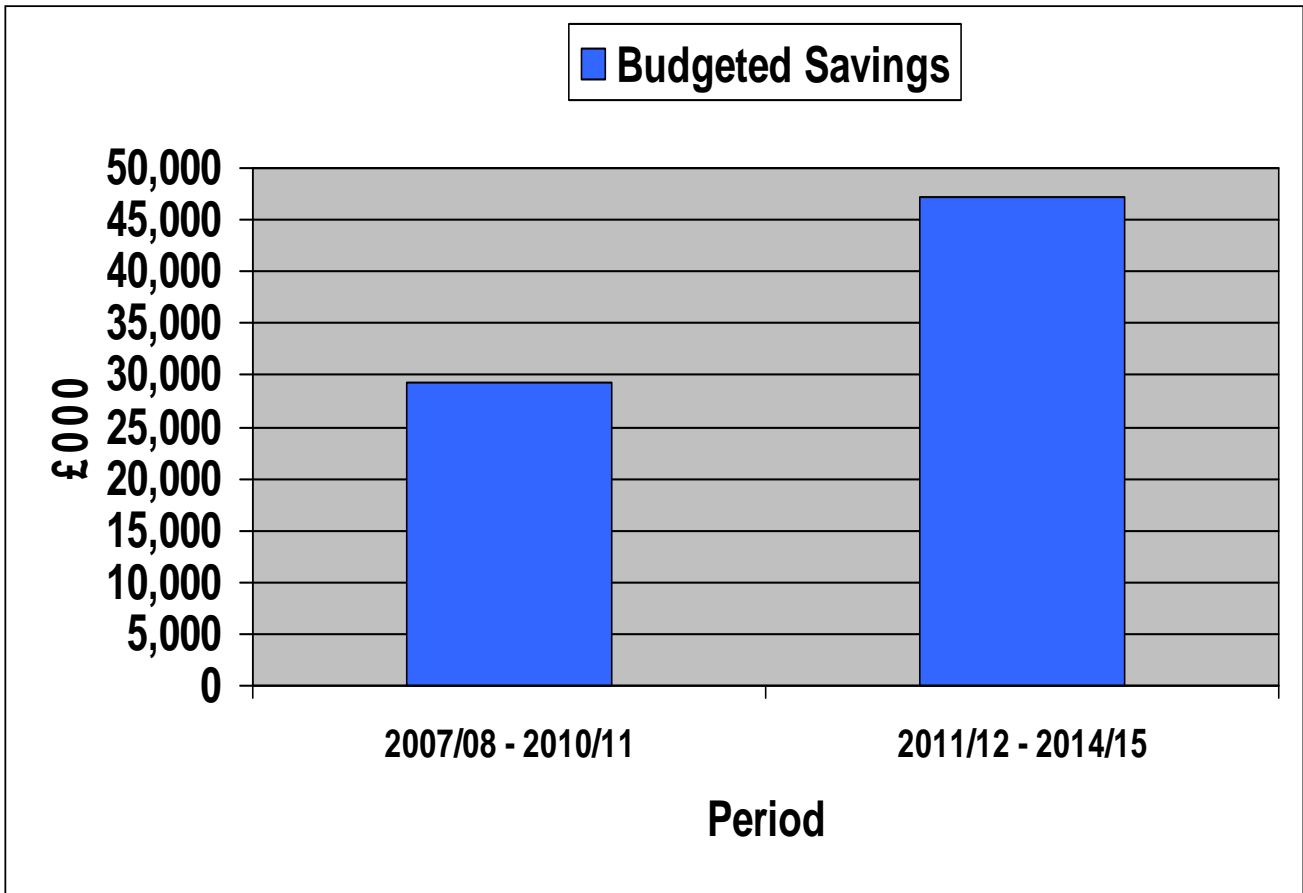
The review, in line with the direction of general government policy, seeks to remove the centralised control of local government finance that currently exists, and provide local government with greater autonomy over locally raised resources, and a greater connection with the success and growth of local businesses.

The consultation period ended on 24 October 2011 and North Somerset responded, recognising the opportunity that future business growth could be rewarded, but also highlighting the frustration that the existing formula grant settlement is proposed to be used as the base starting point, which would suggest a continuation of grant damping arrangements under another name. The proposed system also appears very complex, with complicated arrangements for top-ups, levies and periodic rebasing of grant, all of which appear to undermine the principle of “retention”.

### 3. IMPACT OF FUNDING REDUCTION UPON NORTH SOMERSET

#### Historical Perspective

North Somerset Council has a good track record in making savings. In the period 2007/08 to 2010/11 £29.2 million was saved, and used to fund additional costs caused by inflation and demographic growth. These savings were achieved by a mixture of efficiencies, reduced management and overhead costs, additional income from fees and charges and some service reductions. The challenge for 2011-15 is much greater:



The scale of the challenge is very significant. In 2010/11 the Council spent approximately £147 million on Services, and so the required saving of £47.3 million is equivalent to £1 in every £3.

On a national landscape, it is planned that by the end of 2014/15, the spending reductions, together with the welfare reform contained within the Comprehensive Spending Review will have cleared the additional budget deficit of approximately £86 billion (5.8% of national income) which arose between 2008 and 2010.

Therefore, the Council can expect to see an ongoing requirement for budget reduction, at least through to this same date. At present, **the council's assessment is that it will need to save, or finance from different sources, at least £47.3m during this four year period (2011/12 to 2014/15):**

£ million	Years 1 - 4	2011/12	2012/13	2013/14	2014/15
Loss of Grants	<b>18.1</b>	11.3	5.9	-	0.9
Inflation	<b>17.2</b>	4.3	4.3	4.3	4.3
Demographics	<b>10.2</b>	3.3	2.3	2.3	2.3
Other Pressures & Financing	<b>1.8</b>	-1.4	1.9	0.9	0.4
<b>Totals</b>	<b>47.3</b>	<b>17.5</b>	<b>14.4</b>	<b>7.5</b>	<b>7.9</b>
% of net spending on Services ( £147m)	<b>32.2%</b>	11.9%	9.8%	5.1%	5.4%

The Council's £47.3m projected budget deficit is caused by three main factors:

### **Government Grant Funding**

In 2010/11 North Somerset received approximately £52m as its Formula Grant, made up of Redistributed Business Rates, and the Revenue Support Grant. In addition, within the net cost of services, the Council budgeted to receive approximately £31m of specific revenue grants from Government departments.

The combined loss of grants in 2011/12 was £11.3m with a further loss of £5.9m expected in 2012/13. This reflects the significant front-loading of the government's funding reductions for local government. No allocations have yet been given for 2013/14 and 2014/15 and so projections are based only on national CSR figures. These may prove to overestimate the actual level of funding for North Somerset. They will certainly be affected by the proposed business rate "retention" scheme.

Under the new coalition Government, ring fencing of all revenue grants ended from 2011/12, with the exception of a simplified school grants system and a new public health grant. The number of separate core grants has been radically reduced from over 90 to less than 10.

### **Inflation**

Inflation is a routine part of the Council's budgetary process and the amounts provided reflect specific indices for cost items. Historically the Council has suffered inflation that has tended to run at a higher level than the RPI. For the period to 2015 inflation has been assumed at an average of 2% pa on a range of budgets. Both RPI and CPI are currently running at significantly higher levels and it is unclear whether, or when, they will fall to lower levels. Except in particular circumstances, there is no scope within the Council's financial planning projections to accommodate a higher level of inflation and, unless inflation above 2% pa can be avoided, additional savings will be needed to offset it. The Council will work with its partners and contractors to manage its services within these limits.

Other costs rises, such as landfill tax, are significantly in excess of any inflation index. Landfill tax will rise by £8 per tonne in 2012/13; this represents a 14% increase and will cost the Council an additional £190,000 in 2012/13.

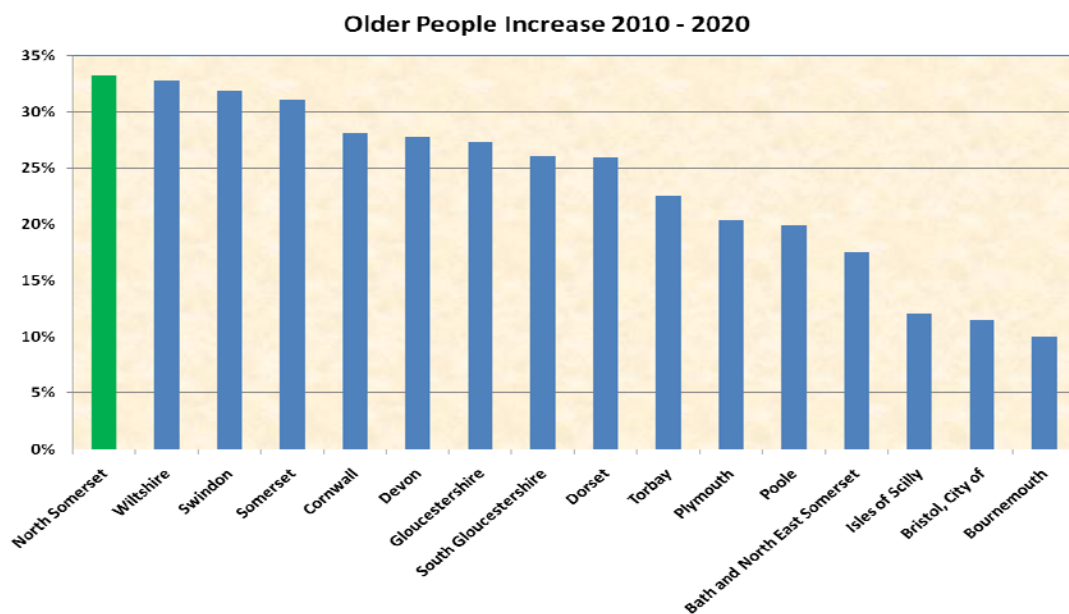
## Demographics

As well as the anticipated reduction in funding, the Council's budget is also being squeezed from the other direction with a continuing increase in the number of vulnerable people accessing Council services, notably within Adult Social Care, and to a lesser extent, Children's services.

North Somerset has a higher-than-average elderly population and it is expected that this will grow significantly over the next twenty years. The additional cost of providing care to the growing population will have to be accommodated within existing budgets at least until 2015 and this is a major contributory factor towards the £47.3m deficit.

In addition to the pressure on Adult Social Care there will also be general growth in population. It is anticipate that over the plan period the local population will grow by over 13,000 with consequent pressure on services (e.g. housing, education, community facilities, transport).

## SW Population Projections



## **Learning Disabilities & Physical and Sensory Impairment (P.S.I.) Complex Transition Cases**

High cost Learning Disabilities care placements and supported living packages, present considerable financial challenges both in terms of the cost of packages and the increasing volume. The high costs of these packages reflect the complexity of the individual needs of service users in this area, and can require twenty-four hour care, that for severe cases can require up to a 3:1 ratio of care staff to service user. Significant progress has been made via service reviews savings, to reduce such costs and promote greater levels of independence to support more cost effective alternatives to residential based care.

Underlying demand for services particularly for learning disabled people are driven by population changes – the average growth in numbers of 1% p.a. nationally is likely to be exceeded in North Somerset given local population growth, and the age profile of service users is continuing to rise as more of whom survive to old age.

Additionally an increasing unwillingness or inability of parents to provide informal care and the impact of medical advances on the ability to intervene around birth has seen the number and proportion of service users with lifelong severe learning disability and/or physical disabilities increase.

The mapping of the number of 'transition cases' for children and young people who will become the responsibility of Adult Social Services when they reach eighteen for both Learning Disabilities and PSI indicate a significant growth in cases. From the monitoring of cases the number of transition cases transferring to Adult Social Care will rise from 19 cases in 2011/12 to 37 in 2012/13.

### **Other Growth**

In addition to the above cost pressures, the Council is also experiencing the loss of investment income experienced by the Council as a consequence of low interest rates, in addition to central government imposed issues, such as reductions in education funding relating to academies, and legislation which will limit the ability to generate income within building and development control.

Further detail relating to the current assessment of growth over the next three years, but particularly 2012/13 is included in Appendix 3(ii).

### **Contingency and Transition**

A feature of recent budgets set by the Council is to include a level of contingency within the projections. This is as a protection against under-achievement of savings. A number of the draft savings proposals are felt to be "the right things to do" and reflect changes in the way services are provided rather than service reductions. However, they may be innovative or dependent on outside factors, and therefore there is a degree of risk against achievement of the full savings amount. Work will continue to firm up proposals and estimates of likely savings, but it is considered important that a sum for contingency is retained.

The budget also contains a sum for transition funding of £1.450m in 2012/13 falling to £1m in 2014/15. Given the degree of change facing the Council particularly in 2011/12 and 2012/13, it is inevitable that there will be some one –off costs required to deliver some of the proposals as well as costs relating to the delivery of savings.

## Risks

The £47.3m projected deficit is not set in stone. It is based upon a series of assumptions and projections which will need to be reviewed regularly to ensure that they continue to be realistic. Section 12 provides a commentary on risk generally but the main financial planning risks that will affect the projections are likely to be:

- The effect of the Local Government Resource Review on grant levels for 2013/14 and 2014/15
- The topslicing by government of Formula Grant in order to transfer funding to academies. £1m has been lost by the Council for the period 2011/12 and 2012/13 and has been reflected in the projections; but further losses may be experienced within these two years and the following two;
- Inflation continues to run at a much higher rate than the average 2% pa that has been assumed, with no sign of interest rates rising to provide an offsetting income stream.
- Dilnot Report

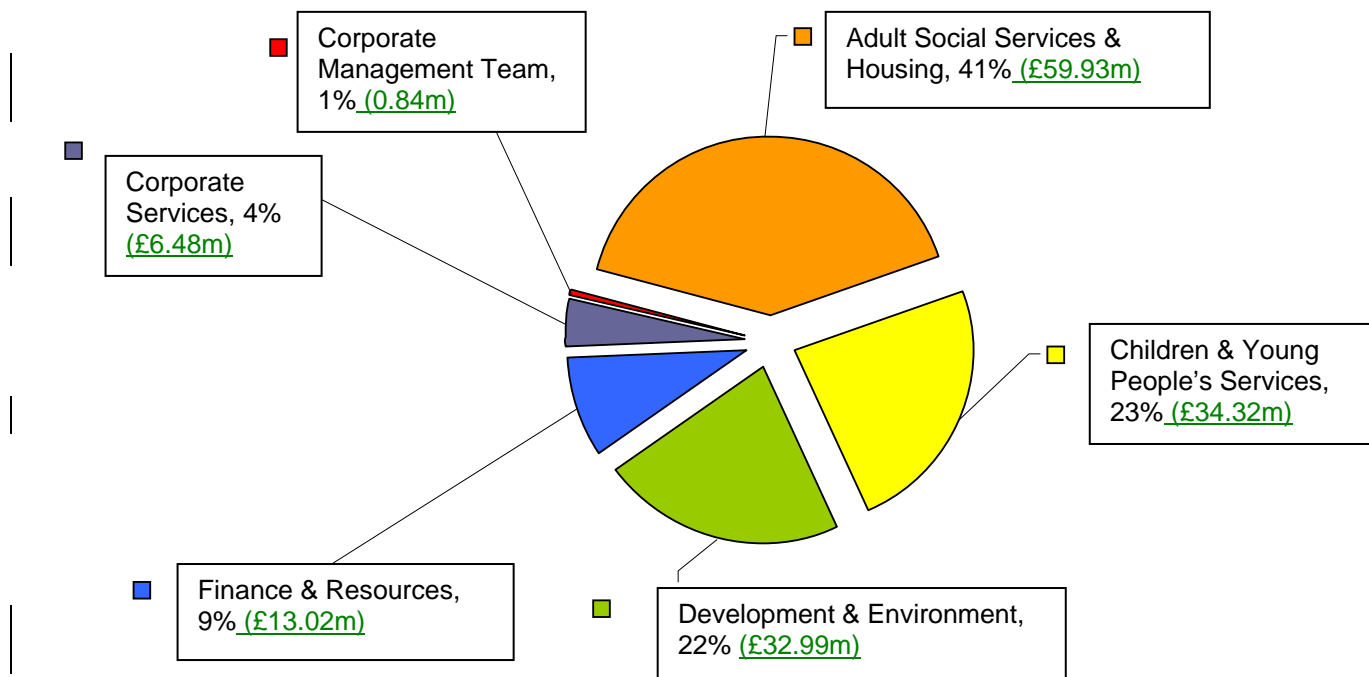
The Dilnot report published in July, 2011, outlined the recommendations of the Commission on Funding of Care and Support. The government's response to the report is anticipated to lead to a White Paper on Adult Social Care funding in 2012. Among the main recommendations in the report is the cap of individuals' lifetime contribution towards their social care costs. The report states that once the cap is reached, individuals will be eligible for full state support. The report proposes that this cap should be set at £35,000. The report also recommends that the current means-tested threshold of assets should be increased to £100,000 from £23,250.

If implemented the impact of the recommendations would lead to a very significant increase in the required funding of adult social care. Whilst this is unlikely to have an immediate impact on the MTFP, there is a risk, that the response to the Dilnot review will lead the government to increase the current means tested threshold from £23,250 more significantly as part of its annual review of thresholds. Given the disproportionately large elderly population in North Somerset, the funding of Adult social care is sensitive to threshold increases. Modelling of any exact increase is impossible without access to every individual's capital provision, but for every additional one hundred clients that become eligible to local authority funding as a result of an increase in the capital threshold, will cost North Somerset approximately £1.6m per annum. This would occur from a relatively modest increase in the threshold above £23,250 and based on previous government funding formula for adult social care, is unlikely to meet anywhere near the actual costs of any changes in capital threshold.

**For the above reasons it is considered prudent to plan for savings that are in excess of £47.3 million, which will provide both a buffer for further adverse movement over and above that already assumed within the projected deficit, and also enable the Council to have some flexibility in delivering its strategic financial priorities.**

## Base Budget

The following pie chart illustrates the split of the Council's net spending on services in 2010/11 (£147 million):



The split demonstrates the need for a balanced approach to the required savings. Because of the high proportion of the budget directed towards “front-line” services or those for the most vulnerable, it is impossible to protect these areas fully by targeting savings upon “back office” or “overheads”. While it is expected that such areas will make a greater contribution to the overall level of savings, all Services will need to bear a significant amount of savings if the Council is to be able to close its projected deficit.

## Council Tax Freeze Grant

In 2011/12, the Council, along with every other Local Authority, chose to take advantage of the Government's decision to offer a grant, equivalent to a council tax rise of 2.5%, on the basis that the Council Tax bill was frozen. To protect the ongoing consequence of this decision, the Government will continue to provide funding (for North Somerset, this represents a sum of £2.255m) on an annual basis until 2014/15.

Recently, the DCLG has announced that the Government plans to introduce a further Council Tax freeze grant for 2012/13. Whilst the Council awaits further information as to the details of this latest announcement, it appears likely that this further grant will only be for one year, and will not have subsequent years funding to support it.

In practice this means that whilst the grant is welcomed for 2012/13, it will mean that savings equivalent to the grant will need to be identified in the following year just to stand still. Therefore, the Council may wish to consider smoothing the effect of the grant over the period to 2014/15 by either increasing contingency or making a contribution to reserves in 2012/13.

#### 4. HOW NORTH SOMERSET COUNCIL WILL MEET THE FINANCIAL CHALLENGE TO 2015

Challenging finances are not new to North Somerset Council. We are a low-funded and low-spending authority that has successfully achieved budget savings of £29 million between 2007 and 2011. The Council therefore has a good track record for performing with limited financial resources, securing an “improving strongly” overall assessment and consistently high service ratings. The PWC benchmarking analysis consistently rated North Somerset as one of the top performing unitary authorities in England.

The Council has also sought to be “ahead of the curve” through good forward planning and implementing organisational change, for example in delivering substantial savings from the outsourcing of its support services and commissioning of cultural services. The approved Medium-Term Financial Planning principles are set out in **Appendix 1**.

North Somerset Council will look, feel and operate very differently in the future. Despite this, our vision and ambitions remain the same. We are committed to providing clear leadership, quality services and an affordable council tax. We are committed to our ambitious plans for improving North Somerset. However, the ways in which we achieve this will change, and this will impact upon residents, communities, partner organisations and our own staff.

**Appendix 2** sets out how we plan to meet this challenge and provides more detail on the six key themes behind our new organisational approach, which are:

- **Streamlined** – a smaller, more efficient and responsive strategic council
- **Smarter working** – an organisation that takes a systemic approach to remodelling services, stripping out bureaucracy wherever possible and maximising the use of new systems, technology, buildings and information for the benefit of its customers
- **Self service for residents** – that residents are given the information, tools and opportunities to resolve their affairs with minimal council involvement and interaction, with a clear focus on personal choice
- **Self-supporting communities** – that wherever possible, assets are owned, and services are provided by local communities, for local communities
- **Strategic Partnerships** – that the council works with other organisations through a series of strategic partnership arrangements in order to achieve the best outcomes for local people
- **Stimulating the private and civic sectors** – that the council delivers fewer services directly, and makes best use of the private and civic sectors to provide services locally. That the council stimulates the private and civic sectors to invest locally and add to the vitality, vibrancy and quality of life in North Somerset.

More information on the Council’s aims and priorities can be found in the draft Corporate Plan 2011-2015 which has been issued for consultation in parallel with this document. The MTFP is a supporting document to the Corporate Plan, and these two documents, together with the Organisational Approach set out at Appendix 2, have been prepared jointly.

## 5. DRAFT SAVINGS PROPOSALS 2011/12 – 2014/15

**Appendix 3** sets out the Council's current draft savings proposals for the period 2011/12 to 2014/15. These include, for completeness, those that were approved and have been implemented as part of the 2011/12 Budget.

The savings proposed for 2013/14 – 2014/15 are in draft form only. They are proposals and are subject to consultation. It is anticipated that following the consideration and approval of the Medium-Term Financial Plan, those savings identified for 2012/13 will be finalised and planning for implementation will begin. Final budget-setting for 2012/13 will take place in February 2012.

In summary the draft Medium-Term Financial Plan, published in September set out the financial position as follows:

Our income will reduce in absolute terms:

<b>Projected Income</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	
Formula Grant (RSG & NDR)	57.2	52.0	52.0	51.1	
Collection Fund / New Homes Bonus	0.7	0.0	0.0	0.0	
Council Tax (includes increase in taxbase only)	90.2	90.8	91.4	92.0	
Council Tax Freeze Grant 11/12	2.3	2.3	2.3	2.3	
<b>Total Projected Income</b>	<b>150.4</b>	<b>145.1</b>	<b>145.7</b>	<b>145.4</b>	

However our expenditure will continue to increase, requiring annual savings to be made. On current projections these total £47.3 million over the four years.

<b>Projected Expenditure</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Base Budget	157.8	150.4	145.1	145.7	
Inflation	3.8	4.3	4.3	4.3	
Demography	2.7	2.3	2.3	2.3	
Other Growth	2.6	1.5	1.5	1.0	
Cost of Transition	1.0	1.0	0.0	0.0	
<b>Total Expenditure before Savings</b>	<b>167.9</b>	<b>159.5</b>	<b>153.2</b>	<b>153.3</b>	
Savings to Find	-17.5	-14.4	-7.5	-7.9	<b>-47.3</b>
<b>Net Budget Requirement</b>	<b>150.4</b>	<b>145.1</b>	<b>145.7</b>	<b>145.4</b>	

Since the publication of the draft MTFP, officers have reviewed each of the lines set out in the above tables for the future years and now consider the updated position to be as follows:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Savings to find - £47.3m</b>	<b>17,500</b>	<b>14,400</b>	<b>7,500</b>	<b>7,900</b>
Additional Government Grant		-348		
Council Tax Freeze Grant 11/12		45		
Use of New Homes Bonus		-180		
Council Tax Property Growth		130	147	143
Additional Cost Pressures		244	383	771
Reduce transition allowance		-550	-225	-1,225
Movement in General Contingency		-17	-610	495
Council Tax Freeze Grant 2012/13		-2,267		
MTFP Smoothing reserve		1,511		1
<b>Total Revised Funding Gap - £45.7m</b>	<b>17,500</b>	<b>12,968</b>	<b>7,195</b>	<b>8,085</b>

By directorate the annual savings set out in **Appendix 3** are:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
Adult Social Services & Housing	5,710	4,222	2,357	1,957	14,246
Corporate Services Unit	931	691	233	415	2,270
Children & Young People's Services	5,578	3,083	1,699	1,353	11,713
Development & Environment	3,504	2,690	1,283	657	8,134
Finance & Resources	1,720	1,748	1,248	818	5,534
Council-wide - to be identified against services	1,601	665	264	0	2,530
<b>SUB-TOTAL (Appendix 3)</b>	<b>19,044</b>	<b>13,099</b>	<b>7,084</b>	<b>5,200</b>	<b>44,427</b>
Use of Reserves to fund one off costs	520	0	0	0	520
Increase in contingency (see below)	-2,044	-635	-610	-505	-3,794
<b>TOTAL</b>	<b>17,520</b>	<b>12,464</b>	<b>6,474</b>	<b>4,695</b>	<b>41,153</b>

The savings in Appendix 3 can be compared to the "savings to find" targets as follows:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
Revised Funding Gap	17,500	12,968	7,195	8,085	45,748
Appendix 3 Net Savings after allowance for contingency	17,520	12,464	6,474	4,695	41,153
<b>Shortfall</b>	<b>-20</b>	<b>504</b>	<b>721</b>	<b>3,390</b>	<b>4,595</b>

In percentage terms the above savings figures are equivalent to (expressed cumulatively, and compared to the 2010/11 baseline for the budget challenge exercise):

	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Adult Social Services & Housing	10%	17%	21%	24%
Corporate Services Unit	14%	25%	29%	35%
Children & Young People's Services	16%	25%	30%	34%
Development & Environment	11%	19%	23%	25%
Finance & Resources	13%	27%	36%	42%
<b>AVERAGE</b> (incl "council-wide" above)	<b>13%</b>	<b>22%</b>	<b>26%</b>	<b>30%</b>

Whilst the % level of savings within Adult Social Services and Housing is lower than the potential savings within other directorates, this reflects the additional £1bn funding that has been allocated through Formula Grant for Adult Social Care from the Department of Health's budget.

Similarly, for Development & Environment the lower percentage reflects the large proportion of the budget spent on large scale service contracts, eg highways, waste and recycling collection and disposal and leisure. It will however be difficult, given the scale of the budget challenge, to protect D&E services at the level of percentage reduction indicated, and options for further savings have been identified and are described in the section on shortfall and further savings on pages 19 and 20.

The next three pages show the current projections as set out above on a directorate summary basis.

FINANCIAL YEAR 2012/13	CYPS £000	ASSH £000	D&E £000	Corporate Services £000	Finance & Resources £000	Capital Financing £000	Transition £000	Other £000	Contingency £000	Allocations not yet agd £000	TOTAL £000
<b>2011/12 Base Budget</b>	<b>24,103</b>	<b>58,519</b>	<b>30,919</b>	<b>5,229</b>	<b>15,573</b>	<b>12,879</b>	<b>1,000</b>	<b>-696</b>	<b>2,874</b>	<b>0</b>	<b>150,400</b>
2011/12 permanent virements	0	0	102	0	0	0	0	1,390	-1,492	0	0
Inflation	0	0	0	0	0	0	0	0	0	2,733	2,733
Demography	0	2,760	41	0	0	0	0	0	0	0	2,801
Other Growth	400	30	454	0	187	660	0	0	0	0	1,731
Super Inflation	100	172	807	0	0	0	0	0	0	0	1,079
Cost of Transition	290	0	0	0	109	0	51	0	0	0	450
Total savings	-3,084	-4,222	-2,690	-691	-1,675	-72	0	-17	635	-648	-12,464
Cap Contingency @ £2.0m	0	0	0	0	0	0	0	0	-17	0	-17
<b>2012/13 Base Budget</b>	<b>21,809</b>	<b>57,259</b>	<b>29,633</b>	<b>4,538</b>	<b>14,194</b>	<b>13,467</b>	<b>1,051</b>	<b>677</b>	<b>2,000</b>	<b>2,085</b>	<b>146,713</b>

2012/13 Funding		£000	£000	£000	£000
Formula Grant		52,348			
Council Tax Freeze Grant 2012/13		2,267			
Less contribution to 'council tax' reserve		-1,511			
Council Tax Freeze Grant 2011/12		<u>2,255</u>			
			55,359		
Council Tax	2011/12 level		90,219		
	0.5% property growth		<u>451</u>		
			90,670		
Collection Fund Surplus / Deficit			0		
New Homes Bonus @ 2011/12 levels - net			<u>180</u>		
				146,209	
Savings to Find					504
<b>Total Funding 2012/13</b>					<b>146,713</b>
					<b>0</b>

FINANCIAL YEAR 2013/14	CYPS £000	ASSH £000	D&E £000	Corporate Services £000	Finance & Resources £000	Capital Financing £000	Transition £000	Other £000	Contingency £000	Allocations not yet agd £000	TOTAL £000
<b>2012/13 Base Budget</b>	<b>21,809</b>	<b>57,259</b>	<b>29,633</b>	<b>4,538</b>	<b>14,194</b>	<b>13,467</b>	<b>1,051</b>	<b>677</b>	<b>2,000</b>	<b>1,581</b>	<b>146,209</b>
Remove Cost of Transition	-290	0	0	0	-109	0	399	0	0	0	0
Inflation	0	0	0	0	0	0	0	0	0	4,292	4,292
Demography	0	2,690	42	0	0	0	0	0	0	0	2,732
Other Growth	0	156	240	0	101	327	0	0	0	0	824
Super Inflation	0	178	457	0	0	0	0	0	0	0	635
Cost of Transition	0	0	0	0	0	0	-225	0	0	0	-225
Total savings	-1,700	-2,357	-1,283	-233	-1,247	0	0	-150	610	-114	-6,474
Cap Contingency @ £2.0m	0	0	0	0	0	0	0	0	-610	0	-610
<b>2013/14 Base Budget</b>	<b>19,819</b>	<b>57,926</b>	<b>29,089</b>	<b>4,305</b>	<b>12,939</b>	<b>13,794</b>	<b>1,225</b>	<b>527</b>	<b>2,000</b>	<b>5,759</b>	<b>147,383</b>

2013/14 Funding		£000	£000	£000	£000
Formula Grant		52,348			
Contribution from MTFP Smoothing Reserve		756			
Council Tax Freeze Grant		2,255			
			55,359		
Council Tax	2012/13 level		90,670		
	0.5% property growth		453		
			91,123		
Collection Fund Surplus / Deficit			0		
New Homes Bonus @ 2011/12 levels - net			180		
				146,662	
Savings to find					721
<b>Total Funding 2013/14</b>					<b>147,383</b>
					<b>0</b>

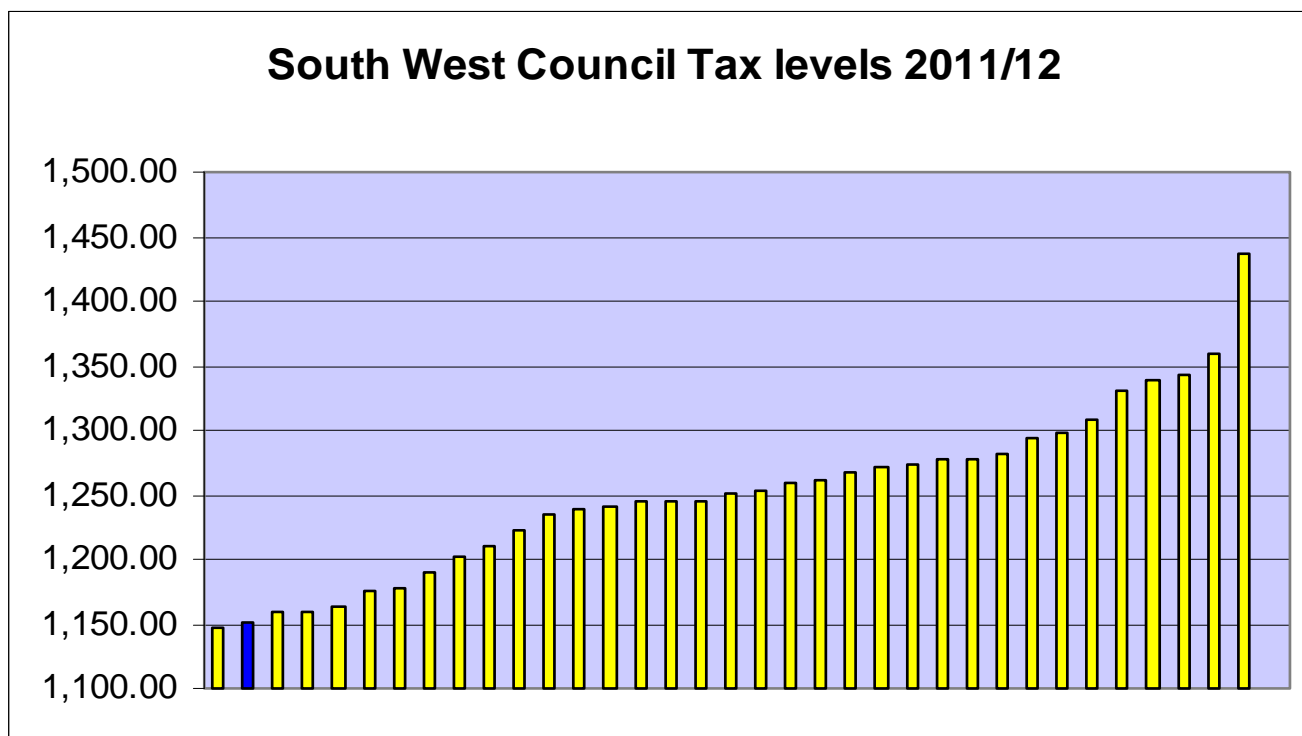
FINANCIAL YEAR 2014/15	CYPS £000	ASSH £000	D&E £000	Corporate Services £000	Finance & Resources £000	Capital Financing £000	Transition £000	Other £000	Contingency £000	Allocations not yet agd £000	TOTAL £000
<b>2013/14 Base Budget</b>	<b>19,819</b>	<b>57,926</b>	<b>29,089</b>	<b>4,305</b>	<b>12,939</b>	<b>13,794</b>	<b>1,225</b>	<b>527</b>	<b>2,000</b>	<b>5,038</b>	<b>146,662</b>
Inflation	0	0	0	0	0	0	0	0	0	4,313	4,313
Demography	0	3,240	0	0	0	0	0	0	0	0	3,240
Other Growth	0	0	42	0	0	156	0	0	0	0	198
Super Inflation	0	179	441	0	0	0	0	0	0	0	620
Remove Cost of Transition	0	0	0	0	0	0	-1,225	0	1,000	0	-225
Total savings	-1,353	-1,958	-657	-415	-759	-59	0	0	505	0	-4,696
Cap Contingency @ £3.0m	0	0	0	0	0	0	0	0	-505	0	-505
<b>2014/15 Base Budget</b>	<b>18,466</b>	<b>59,387</b>	<b>28,915</b>	<b>3,890</b>	<b>12,180</b>	<b>13,891</b>	<b>0</b>	<b>527</b>	<b>3,000</b>	<b>9,351</b>	<b>149,607</b>

2014/15 Funding		£000	£000	£000	£000
Formula Grant		51,448			
Contribution from MTFP Smoothing Reserve		755			
Council Tax Freeze Grant		2,255			
			54,458		
Council Tax	2012/13 level		91,123		
	0.5% property growth		456		
			91,579		
Collection Fund Surplus / Deficit			0		
New Homes Bonus @ 2011/12 levels - net			180		
				146,217	
Savings to find					3,390
<b>Total Funding 2014/15</b>					<b>149,607</b>
					<b>0</b>
<b>Total Savings to find over 3 years</b>				<b>4,615</b>	

## Council Tax

As highlighted previously, it is likely that the Council will accept the offer of a further Council Tax freeze grant for 2012/13. No assumption has yet been made about council tax levels for 2013/14 and beyond. However, the assumptions made above are that to avoid a significant saving requirement in 2013/14, the council will utilise the grant evenly over the remaining three years of this plan. This assumption will be continued to be reviewed up to budget setting in February 2012.

In North Somerset the level of council tax is lower than that of all bar one council in the south west and significantly lower than the average of all councils in the region.



Given the projected deficit facing the Council, it is likely that council tax will need to be increased in 2013/14 and subsequent years. No decision has yet been made and no assumptions made in the modelling.

Council tax is in any case not a “silver bullet” for closing the projected deficit. Each 1% increase will only yield around £900,000 pa while having an adverse impact on people with low or fixed incomes.

## Shortfall and Further Savings

The draft savings proposals in Appendix 3 represent a significant step towards closing the projected deficit, particularly if combined with small annual increases in council tax. However they fall short of the target, let alone the prudent savings target in excess of £47.3m, and so further savings will be required.

Appendix 3 includes some savings proposals which are still to be identified. These are where Services have committed to a savings target but still need to work up an achievable proposal. As these are mainly for year 4 of the Plan, there is time to do this.

Other areas are still being considered for potential savings. With such a high level of required savings, it is inevitable that key areas of potential income generation and or

service delivery have to be reviewed and unpalatable options considered. The following list represents those that are under review but for which firm proposals have yet to be formulated. **None of them are “desirable” but inevitably have to be considered in the search for savings.**

The input of Scrutiny Panels will be particularly important in these areas. No firm proposals are therefore made at this stage but it is inevitable that some level of savings will be required from many of the specified areas (or otherwise compensating savings will be required from other areas).

- Staffing – all Services have set out proposals that will reduce the number of staff employed by the Council. However in key front-line services such as Housing, and Adults’ and Children’s Social Care it is likely that the scale of deficit will require additional proposals to be brought forward, some of which could potentially impact on staffing, however further work is required before this can be done.
- Leisure – the Council has contracted out all its leisure services and has successfully reduced net costs over recent years. The scale of budget challenge means that further savings are inevitable and these are likely to require some reduction in service provision.
- Car Parking charges – if highways maintenance spending is to be protected, it is likely to be necessary to raise additional income from other sources. Options for on-street parking charges, extension of off-street parking charges and taking over the police’s powers to enforce against parking offences are being investigated through the Strategic Planning and Economic Development Scrutiny Panel, weighing carefully the income generation opportunities and investment in highways against potentially adverse impacts on local residents and businesses.
- Charging for Green kerbside collection – Following the letting of the waste and recycling collection and disposal contracts in 2010, which are expected to mitigate future cost increases by £11m over 7 years, future short to medium term significant cash savings are not thought to be possible. However, there is an opportunity to review the way in which the non-statutory garden waste service is delivered and paid for. The Community and Corporate Organisation Scrutiny Panel is investigating this issue.
- Libraries – proposals have been made to reduce costs through introducing self-service and reviewing staffing structures. Should additional savings be necessary, these could only be achieved through a reduction in the number of libraries directly provided by the Council.

### **Specific Grants**

The figures in the table at the beginning of Section 5 represent the Council’s net budget, financed by Council Tax and *general* government grants. Despite reductions in the number and value of specific grants, the Council continues to receive a significant amount of income through these sources, to offset spending commitments. **Appendix 4** details known specific grants over the period 2011-15. Services are expected to “live within their means” and savings will be required to match any reduction in specific grant income.

## 6. UPDATE ON REVENUE BUDGET 2011/12

The Council set its revenue budget for 2011/12 in February 2011.

**For the first time in its history, North Somerset Council experienced a cash reduction in its revenue budget – by £7.4 million or 4.4%.**

The Budget included savings totaling £19 million, the highest annual amount of the savings in the Council's history.

Progress against this very challenging budget has, so far, been very positive. At the end of August, the overall budget is projected to be in balance. There are three areas of significant adverse variance, but these are all being contained within the Council's Contingency. The three are:

- Children's care placements – while expenditure has reduced from 2010/11, it remains in excess of budget
- Income – streams such as car parking, and development and building control have been persistently under budget since the onset of the recession, although car parking income has shown a recent recovery. The shortfall is being mitigated in 2011/12 by staffing vacancies and use of a reserve that was earmarked for this purpose; however as part of the budget process, the base budget has been reviewed and these shortfalls mitigated in the planning for next year and beyond.
- Procurement – cross-council savings were budgeted to flow from this project but in practice the benefits are materialising at a slower rate and many savings are in fact attributable to the budgets of individual Services. At this stage a prudent budget treatment has been adopted, with any under-realisation of savings netted off against the Contingency.

All areas of the Budget will continue to be monitored closely and corrective action taken where needed. Regular reports are made to the Executive to show the latest position.

## 7. CAPITAL PROGRAMME

### 7.1 Introduction

Investment in public sector capital projects has seen continuous growth over the last 12 years. Beginning with the 1998 Comprehensive Spending Review, the government progressively increased capital expenditure during the next twelve years and the figures, particularly for health and education demonstrate this. Health expenditure in real terms increased more than threefold between 1999/2000 and the following five years, from just under £1bn to just over £3bn; education and transport both enjoyed similar increases.

As part of the 2010 Comprehensive Spending Review, the Chancellor sought to address this 'unaffordable level' of investment delivered during the previous 12 years. The headline announcement being "Capital funding from all departments to councils will fall by around 45 per cent over the Spending Review period. The Government will prioritise capital investment on areas of greatest economic value, such as high value local transport. Capital spending on schools and social housing will be reduced by over 50%".

It was therefore evident that the council would face significant challenges over the medium term as it was likely that there would be an expectation for local investment to replace previous allocated national grants to fund some of the capital requirements of the authority. The capital funding subsequently announced was as anticipated with particular reductions in both CYPS and Housing grants.

The North Somerset Council Capital Programme has traditionally been funded largely from earmarked capital resources and featured investment in schools and transport that has been financed by government grants and supported borrowing. Local, or non-earmarked, resources have been a smaller part of the programme but have, since 2006, been supplemented by the capital receipt raised from the sale of the Council's housing stock.

**Appendix 5** lists the current approved capital programme. It should be noted that this is subject to a rephasing exercise which will defer some 2011/12 planned spending into later years.

### 7.2 Earmarked Capital Resources

Spending financed by capital grants will decline dramatically over the Plan period.

In 2011/12 carried forward funding will finance a high level of spending on schools, with major schemes at a number of primary and secondary schools, but the outlook for future years is very uncertain. The Government is currently consulting on a new capital investment system for schools, but it is clear that the level of investment will be at a much lower level than in recent years, leaving the Council to work with local schools and diocesan bodies to prioritise scarce resources and address the significant backlog of investment still needed within the school estate.

Spending financed through the Local Transport Plan has been protected relatively well through the Plan period, and North Somerset will, subject to successful bids, benefit from investment in three major schemes (Weston Package, Ashton Vale to Temple Meads Rapid Transit, and South Bristol Link). The funding required to act as the local contribution towards the scheme costs remains a major challenge to the Council's resources, but the benefits are such that the local contributions will, in effect, form a "first call" on the Council's available capital resources over the Plan period.

### **7.3 Non-Earmarked Resources**

Non-earmarked resources (ie those generated locally, such as capital receipts and non-earmarked capital grants) have, by their nature, been very limited in recent years and will become more so due to the exhaustion of the capital receipt generated from the sale of the Council's council housing in 2006. Non-earmarked resources are currently projected at only £3-4 million pa. In the future it will be necessary for the Council to finance more of its programme through asset sales.

In autumn 2010 directorates submitted bids for schemes which required non-earmarked funding or prudential borrowing. The bids received exceeded the projected level of resources and were prioritised using the prioritisation method agreed at Executive on 14<sup>th</sup> December as follows:

- Contributes to the revenue savings within the budget reduction planning process or negates previously identified growth.
- Sustain Council services in its nine priority areas.
- Ensure that exceptional health and safety and other potential costs and risks are adequately mitigated; including those to the Council's critical business operations.
- Improve the Council's efficiency, including match funding to attract external funding (but not necessarily in a way that has direct financial payback).
- Address "unfitness" as identified in the Corporate Asset Management Plan.

There remain risks around the realisation of these resources, but these are being mitigated to some extent by only approving the capital programme for 2011/12 and 2012/13. The allocations for 2013/14 are indicative only, with further approval being required during 2012/13. No allocations have yet been made for 2014/15.

Using the above prioritisation criteria, the main allocations agreed by Council in February for 2011 - 2014 were:

- Adult social care supported living schemes
- Highways improvement
- Disabled Facilities Grants (topping up inadequate levels of government grant)
- Street lighting column replacement
- Works to improve the condition of the non-schools estate
- Replacement for the waste transfer station
- Contribution to the Council's Transformation Programme (see below)

### **7.4 Prudential Borrowing for invest-to-save**

The Council's policy is to invest in schemes which have a demonstrable payback in revenue savings. Funding is raised through prudential borrowing.

The major schemes within the current programme are:

- Office Amalgamation – to fund the upfront costs of the Programme, which aims to rationalise the Council's estate from eighteen buildings to two with annual revenue

savings of £700,000 by 2015. The Business Case was approved by the Executive in December 2010.

- Carbon Reduction – to fund the upfront costs of initiatives designed to reduce the Council’s carbon footprint and secure savings in energy costs
- School Amalgamations – to fund the upfront costs, with borrowing costs reimbursed to the Council by the Strategic Schools Forum from savings realised.

Appendix 5 also provides, as a memorandum table, details of the Council’s Partnership Transformation Programme being delivered with Agilisys. The schemes listed are all enablers for future improvement and efficiency saving, and underpins the Smarter Working and Self-Service elements of the Organisational Approach set out in Appendix 2.

## **7.5 Asset Planning**

The Corporate Asset Management Plan (CAMP) sets out how the Council intends to realise planned corporate, service and financial outcomes from holding property.

The three themes underpinning the authority’s asset management planning are:

- Service Support
- Community Leadership and
- Efficiency in Use

The ultimate aim is to have fewer, better and more sustainable and flexible property assets. A national initiative that will impact on the Council is the “localism” agenda, with legislation planned to devolve greater powers to councils and local communities and reduce the role of central government. This will have a significant influence on the future ownership and management of public property, with transfers of services and possibly property to local communities being a key element in the delivery of the agenda.

This may result in investment being required in assets prior to service transfers to third parties/ communities and /or a reduction in potential capital receipts to Council from the sale of surplus assets.

## **7.6 Infrastructure Planning**

A key issue for future capital investment will be the planning of major infrastructure across the district and specifically in the new employment areas and communities as part of the Weston Villages proposals including Locking Parklands and Weston Airfield.

The investment requirements include:

- Funding to act as the local contribution towards the three major transport schemes for which the Council is currently bidding to secure government funding (Weston Package, Ashton Vale Rapid Transit and South Bristol Link)
- Support to the Superfast Broadband project within which the Council is working jointly with Devon and Somerset County Councils and Broadband Delivery UK
- The establishment of an Enterprise Area encompassing Weston Airfield and Locking Parklands to accelerate private sector investment and employment growth. This will

include investment in enabling strategic infrastructure, equipping sites with Superfast Broadband and services.

- Strategic flood mitigation works to bring forward development land for the Weston Urban Villages, as set out in the Council's Core Strategy
- Community infrastructure (schools, roads, leisure and other community facilities etc) to support new residential areas
- Pump-priming to secure additional affordable housing

Funding for such schemes has traditionally come from government grants and developer contributions. With reduced grants and changes in legislation affecting developer contributions, it is anticipated that the Council will have to consider upfront investment and offset borrowing costs against income sources such as New Homes Bonus and the new Community Infrastructure Levy. This is therefore a key area of medium- to long-term financial planning and work on this is currently being undertaken, in part through the draft Supplementary Planning Document on Developer Contributions, to analyse issues, appraise options and build a financial model. It is intended that this work is completed in order to be input to the Medium-Term Financial Plan for December 2011.

In addition it is vital that future service designs and delivery models fully take account of the Organisational Approach and the underpinning workstreams (as set out in Appendix 2) in order to minimise capital investment requirements.

## **7.7 Capital Programme – Conclusions**

Capital resources will remain very constrained over the Plan period. Investment opportunities in the future will increasingly be tied to delivering growth (economic development and housing).

**Projected resources are insufficient to meet all projected needs and opportunities to secure additional resources, for example through capital receipts, will continue to be sought. In addition to the pressures listed at 7.6, the main concerns relate to the basic condition of the assets that the Council is responsible for – its schools, its other service delivery buildings (including those providing commissioned services) and its highway network.**

## 8. REVENUE AND CAPITAL BUDGET TIMETABLE

The decision-making timetable for the Medium-Term Financial Plan and 2012/13 Budget is as follows:

<b>13 September 2011</b>	Exec considers draft MTFP (including detailed savings proposals) alongside draft Corporate Plan and issues both for consultation.
<b>End Sept &amp; Oct</b>	Scrutiny meetings and working parties meet on specific issues
<b>27 October 2011</b>	Close of public consultation on the draft MTFP
<b>November 2011</b>	Special Council meeting to consider the feedback from consultation on the draft MTFP, and to adopt a revised MTFP (alongside the adoption of the Corporate Plan)
<b>7 February 2012</b>	Executive approves final revenue and capital budgets for 2012/13 for consideration by Council
<b>21 February 2012</b>	Council sets final budgets for 2012/13, and associated council tax implications.

## 9. CONSULTATION

This report has been developed through consultation with Executive Members and CMT. Services from across the council have had significant detailed input into specific budget proposals, as part of a series of facilitated workshops held in order to inform the development of the draft MTFP.

The draft MTFP formed part of a wide-ranging consultation programme in order to improve further the awareness of officers, members, partner organisations and the public of the financial position facing the Council, and the choices necessary; and to seek the engagement of all within the budget process.

Following consideration of the draft MTFP, the report was made available for public comment via the council's website, and will be summarised within the October edition of North Somerset Life. Input will be sought from all stakeholders, including town and parish councils and key partner bodies via the North Somerset Partnership.

Members have received a series of briefings and Scrutiny Panels have all initiated work on considering ideas for further budget savings.

## 10. STAFFING ISSUES

The council enjoys the benefit of high levels of staff satisfaction, evidenced through annual staff surveys, and managers understand the importance of ensuring good two-way communications and engagement with staff, especially during a period of major change.

Given the scale of the financial challenge highlighted within this report it is inevitable that number of the proposals put forward have staffing implications and it is anticipated that the council's workforce will reduce by about 280 fulltime equivalent employees over the period of this Medium-Term Financial Plan.

The council is committed to do it reasonably can to mitigate the need for compulsory redundancies, including, wherever feasible, redeployment and retraining, and by reducing the cost of employment of the current workforce. Savings have already been achieved in areas such as:

- Pay Freeze
- Vacancy freeze/'slowdown'
- Removal of car allowances
- Reduction in the use and cost of Agency workers
- Reduction in redundancy pay
- Ceasing payment of 'Professional Fees'
- Deferral of annual increments for new starters and internal transfers
- Reduced 'subsistence' scheme

We are also reviewing the level of enhanced rates of pay for Weekend, Bank Holiday working, etc with a view to ensuring that our costs are in line with other service providers.

Employee pensions are also under review and likely changes to the Local Government Pension Scheme include:

- An increase in employee pension contributions
- A pension based on average salary over an employee's career rather than one based on final salary
- An increase in the age at which pension benefits are paid
- A fixed cost to the employer

The 2011/12 budget includes a requirement to reduce the council's workforce by around 120 posts. However, almost two-thirds of this reduction is being achieved through the deletion of vacant posts or TUPE transfers to other organisations.

By the end of this financial year the council's workforce will have reduced by more than 20% since April 2009. This reduction has been successfully managed through careful forward planning including, holding posts vacant or filling them on a fixed term or temporary basis and transferring jobs to other providers. This approach will continue.

Staff and trade unions will continue to be fully informed and consulted over any proposals with staffing implications.

## 11. EQUALITIES

The Initial Equality Impact Assessments have been further developed and subject to internal challenge. An overall summary is attached at Appendix 6. Detailed Equality Impact Assessments are being finalised and will reflect consideration of the consultation responses and these will be available on the council's web-site for further comment during November 2011.

## 12. RISK MANAGEMENT

The scale of projected budget deficit facing the Council over the next four years is unprecedented and severe, with the inevitable consequence that making the required level of savings involves a high degree of risk.

The Council's budget strategy however seeks to mitigate the level of risk to an acceptable level.

A risk assessment has been undertaken on the Medium-Term Financial Plan and is attached at **Appendix 7**.

## AUTHOR

Peter Sloman, Head of Financial Management

Tel: 01934 634619

[Peter.Sloman@n-somerset.gov.uk](mailto:Peter.Sloman@n-somerset.gov.uk)

## APPENDICES

Appendix 1	Approved Financial Planning Principles
Appendix 2	How North Somerset Council will meet the Financial Challenge to 2015
Appendix 3 (i)	Schedule of Draft Budget Reduction Proposals 2011/12 – 2014/15
Appendix 3 (ii)	Schedule of Draft Cost Pressures 2012/13 – 2014/15
Appendix 4	Specific Grants 2011/12 – 2014/15
Appendix 5	Current Approved Capital Programme 2011/12 – 2013/14
Appendix 6	Initial Equality Impact Assessment
Appendix 7	Risk Assessment

## **APPENDIX 1 – APPROVED FINANCIAL PLANNING PRINCIPLES**

The MTFP 2009 – 2012 set out principles to guide the financial planning process. These principles remain relevant for 2012 – 2015.

The principles that will guide the Council's financial strategy are:

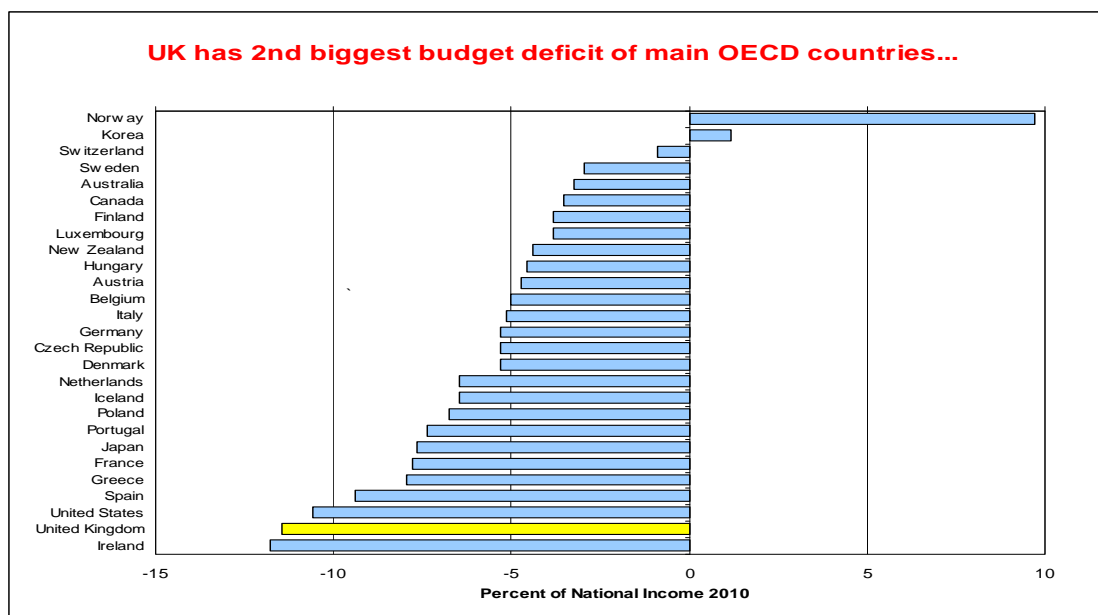
- Ensuring that the North Somerset Band D council tax remains in the lowest 20% of all councils in the south west
- Providing strong leadership – both politically and organisationally – to ensure that the Council's financial challenges are overcome successfully.
- Focusing our spending on achieving the Council's priorities, and therefore identifying those activities from which we will withdraw or pull back, in order to ensure that spending is focused on doing the important things well.
- Balancing long-term and short-term financial issues to take account of the needs of future generations of residents and taxpayers
- Prioritising our own limited capital resources to invest wisely in projects, and making most effective use of our assets.
- Maintaining a prudent, but not excessive, level of reserves and balances and using any surplus wisely to invest to achieve future benefits, and not depending on reserves and balances to fund recurrent expenditure
- Influencing others, whether government, other public bodies or the private sector to attract investment to North Somerset
- Challenging the government where its funding for initiatives comes with potential long-term liabilities to local taxpayers
- Challenging proposed and current spending, to ensure that all the Council's spending is necessary and provides value for money
- Actively mitigating the spending pressures and risks facing us, reducing future and current liabilities.
- Grasping opportunities to make efficiency improvements, using pump-priming investments where appropriate to realise cash savings.
- Regularly reviewing fees and charges to ensure they are appropriate, particularly by challenging hidden subsidies in service provision.
- Stepping back from direct provision of services where the Council is able to commission better outcomes or financial results

## APPENDIX 2 – LEADING THROUGH CHANGE

### Fit for the Future - Our Organisational Approach to meeting the financial challenge to 2015

#### Context - The national Picture

In May 2010 the Coalition Government announced its programme for government. Tackling the UK's historic national deficit was identified as a fundamental priority. The Government stated that without sound finances, none of their ambitions were deliverable. Therefore, the national deficit reduction programme took precedence over all other measures and priorities.



Government announced that in their efforts to reduce the national budget deficit, all Whitehall Departments, and therefore all public sector organisations should plan for a significant reduction in funding in future years. The implications for Local Government were announced through the Comprehensive Spending Review on 20 October 2010 and the Local Government Finance Settlement on 13 December 2010.

The Coalition Government has also identified a number of key policy shifts, all aimed at creating a power and responsibility shift between Whitehall and local authorities, and between local authorities and communities themselves. This re-balancing of responsibility aims to move the role of the state, at all tiers, from provider to strategic enabler.

This shift is reflected in the abolition of the majority of Government set targets, the pooling of resources for local authorities, and in a whole series of legislation planned for the future. This includes the Localism Bill, which will devolve greater powers to local authorities and communities, a Health Bill which abolishes Primary Care Trusts and Strategic Health Authorities, passing

power back to local authorities and to GPs, and to proposals to make the police service more accountable at a local level. Regional Development Agencies and Regional Government Offices have been abolished, and replaced by new Local Enterprise Partnerships, led by the private sector and local authorities. Government is also putting significant weight behind the civic sector filling the gaps left by the shrinking provider role of the state. The 'Big Society' concept will see Government supporting an enhanced role for co-operatives, social enterprises and community trusts.

### **Implications for North Somerset**

North Somerset Council is facing a 30% reduction in government funding over the next four years. At the same time, we know that demand for some of our services, and in particular social care for the elderly, will continue to increase. These challenges combine to give us an anticipated budget shortfall of £47.3m over the next four years. As a council we will therefore face some tough decisions as to how we prioritise the funding available to us in the future.

The challenge we have set ourselves is to ensure, despite the financial pressures we face, that we are fit for the future as a council, and well placed to give a degree of protection to those services that our communities need and rely upon most. Wherever possible we want to avoid cuts to the services that are key to the vitality of area, and to those that are important to the most vulnerable in our community.

Government has set out a clear new policy direction for the state and for Local Government. We are committed to taking maximum advantage of the opportunities provided by the planned legislative shifts, and will look for early engagement with our communities and partners over how we achieve this in practice.

Given the above, we are focusing our approach on service and organisational transformation. By this we mean finding new ways of delivering services, re-designing services so that we can provide them more cost effectively, investigating opportunities for closer working with other councils and partner organisations. It also means building new relationships with local communities, enabling them to take greater responsibility for meeting their own local needs. By delivering services in a smarter way we aim to minimise the number of services we simply have to reduce or stop providing.

Our transformation agenda will fundamentally change the shape and organisational design of the council and the way we operate. This change is all focused upon enabling us to maintain the quality of services we provide wherever possible, by doing things differently. This does not mean that communities and residents will not see or feel changes. The scale of the financial challenge faced is too great to avoid this. However, change will be focused upon streamlining the way we provide services, and most importantly, working more closely with local communities, the private sector and civic sector to provide services in more cost effective ways.

In this time of financial austerity it may be expected that the council would regress, and simply focus on maintaining a very basic level of service for communities. We are more ambitious than this. North Somerset is widely regarded by residents as a great place to live and to work. It is a hugely popular tourist destination attracting over 6 million visitors every year. We have high performing schools, with young people achieving excellent results. We have many successful and profitable businesses, providing over 40,000 jobs. We also face many challenges, for example, meeting the care needs of an ageing population. As a council we are committed to maintaining our ambitions for the area, to support communities, and to maintain the high standards of living that most people enjoy. Our aims and priorities are set out in the draft Corporate Plan 2011-15. However, this has to be within the context of a substantially smaller level of resource available for the public sector. As a council, we have not given up on any of our ambitions, we are simply focusing on new, smarter ways of achieving them, and with less money.

This paper aims to explain our strategy in more detail, and to help paint a picture of how the council will look and feel in the future.

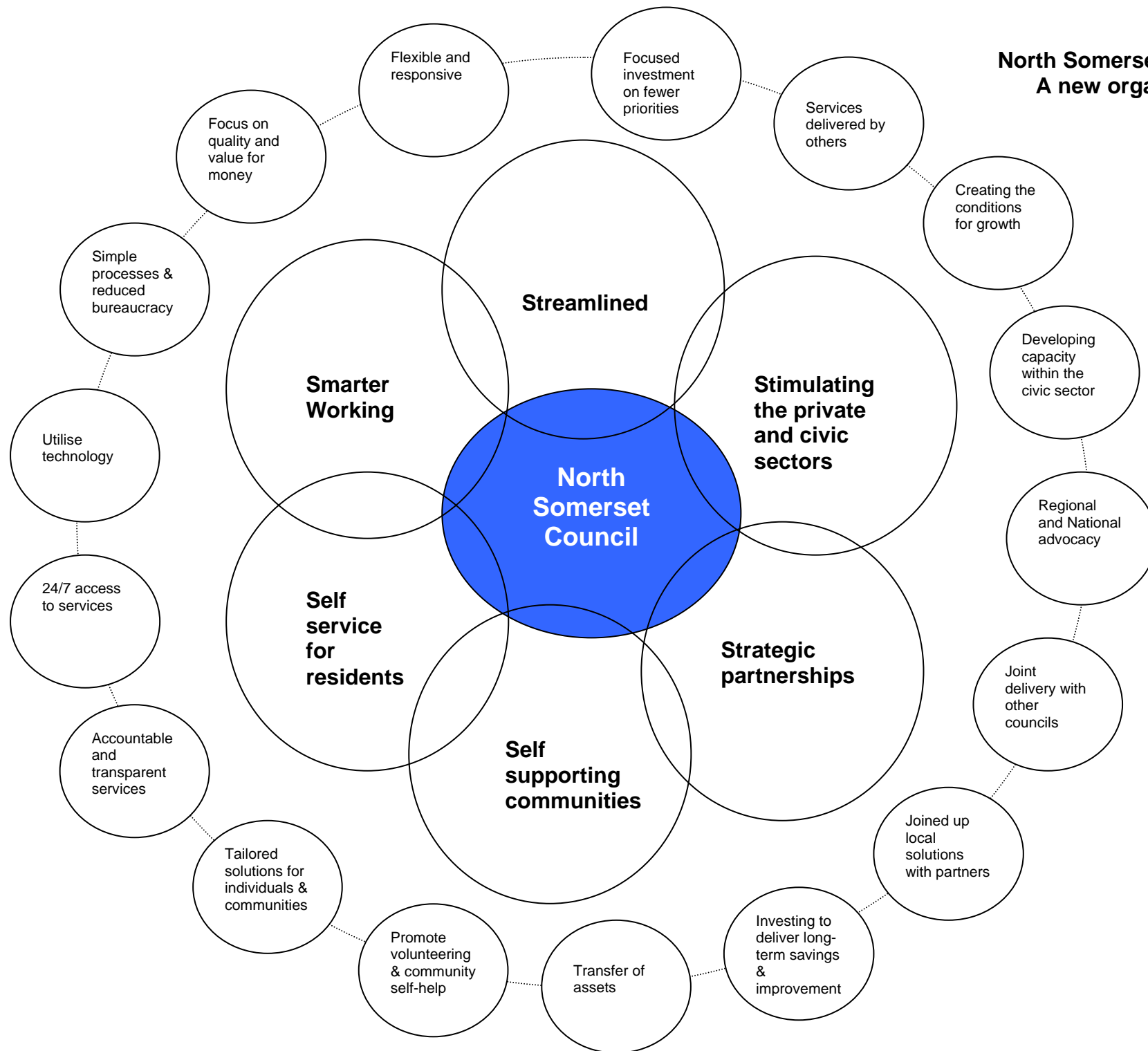
## North Somerset Council – a new way of working

As set out above, North Somerset Council will look, feel and operate very differently in the future. Despite this, our vision and ambitions remain the same. We are committed to clear leadership, quality services and an affordable council tax. We are committed to our ambitious plans for improving North Somerset. However, the ways in which we achieve this will change, and this will impact upon residents, communities, partner organisations and our own staff.

The diagram overleaf sets out to demonstrate the six key themes behind our new organisational approach, which are:

- **Streamlined** – a smaller, more efficient and responsive strategic council that is focused on outcomes and adding value and supporting enterprise
- **Smarter working** – an organisation that focuses on service redesign, not service closure, stripping out bureaucracy wherever possible and maximising the use of new systems, technology, buildings and information for the benefit of its customers
- **Self service for residents** – that residents are given the information, tools and opportunities to resolve their affairs needing minimal council involvement and interaction, with a clear focus on personal choice
- **Self-supporting communities** – that, wherever possible, assets are owned, and services are provided by local communities, for local communities
- **Strategic Partnerships** – that the council works with communities, public sector providers and other organisations through a series of strategic partnership arrangements encouraging innovation and supporting enterprise in order to achieve the best outcomes for local people.
- **Stimulating the private and civic sectors** – that the council delivers fewer services directly, and makes best use of the private and civic sectors to provide services locally. That the council stimulates the private and civic sectors to invest locally and add to the vitality, vibrancy and quality of life in North Somerset

# North Somerset Council: A new organisational approach



## Streamlined

### What this means to us:

- We are very **focused**, setting clear priorities for the council and moving resources away from non-priority areas, making it clear to residents and communities what the council will do in the future
- We are a **smaller** council, directly employing significantly fewer staff than we do today
- We own significantly **fewer assets**, reducing the number of buildings and land
- We are more **strategic**, focusing less on direct service delivery, and more on enabling and directing public services, and representing the interests of North Somerset at a regional and national level
- We have **Simpler** democratic and officer structures, focusing activity around customers and communities rather than the organisation itself
- We retain our relentless pursuit of efficiencies in order to deliver **value for money** services for residents.

### Examples of how we will achieve this include:

- Where it makes economic sense we will **outsource services** or transfer them to the local community to provide directly
- Working with local communities we will **review all council-owned physical assets**, and look to reduce the number significantly by 2015, through sale or community transfer
- We will **Remodel our workforce** – delivering a workforce that is financially sustainable while helping our staff to be able to deliver more for less, and to deliver services in a personalised and customer centric way
- We will review the council's **democratic governance** arrangements by 2015 in order to ensure that councillors are well placed to support communities to facilitate solutions to local problems
- We will continue to **simplify council service structures** as the organisation shrinks.

## Smarter Working

### What this means to us:

- We have **simplified processes** and procedures wherever possible, eliminating unnecessary bureaucracy in order to provide services more cost effectively
- We use **customer information** more effectively to drive service change and improvement, ensuring that we are relentlessly customer focused in all that we do
- We maintain our commitment to **early intervention and prevention initiatives**: as a way of supporting people early and mitigating future costs and health/social costs
- We make the best use of **technology** to drive down council costs and to help us interact more effectively with residents, based around their preferences and not what is easiest for the service
- We focus on customer needs and not organisational boundaries – working with our partners such as the police, health, further education etc. to provide **seamless and joined up services** to local people

### Examples of how we will achieve this include:

- We have replaced our **financial management systems**, enabling the council to take advantage of better procurement of services
- We are **reducing the number of council administrative buildings** from 18 to 2.
- We will undertake a **systemic approach to the review of services**, reducing bureaucracy, simplifying processes and achieving cost savings
- We will introduce **Payment Cards** for adult social care cash transactions e.g. personal budgets
- We will **Re-design services for children**, young people and families to deliver fully integrated support using staff from across different organisations
- We will **Improve procurement processes** to achieve better value for money in high cost areas such as placements for looked after children as an example.
- We will work jointly with health services, care homes and home care agencies to deliver an ambitious programme of social care **reablement** which aims to support recovery and enable people to regain and retain their abilities and independence.

## Self Service for Residents

### What this means to us:

- We **develop our website** as the main route through which people access services and information
- We **tailor customer contact** to the most effective/preferred method, based on a sound understanding of customer demographics
- We give **residents the tools** to deal with their own service needs quickly and easily, stripping away bureaucracy and complexity wherever possible
- We make information available in a **range of formats** in order to ensure that all sections of the community can access what they need when they need it.

### Examples of how we will achieve this include:

- We will provide access to as many council services as possible via the council **website** in the future, therefore providing 24/7 access to council services for the majority of residents
- We will maintain **community access to computers/kiosks** in order to ensure that all residents can access services
- We will rebuild the council website to provide **service access tailored to the individual** in the future, rather than generic information
- We will introduce **self assessment** (FACS eligibility) for adult social care services
- We will introduce a **single point of access** for all children and young people referrals and services.
- We will introduce a self service **housing advice** facility to help customers identify the housing option that will best meet their needs.

## Self-supporting communities

### What this means to us:

- We **empower communities**, devolving more responsibility and services to local communities in order that they can help themselves
- We **hand back responsibility** to communities, agreeing at a local level what the council provides, and what is best provided by the community themselves or by local organisations
- We work with Town and Parish councils and other local bodies to consider options for the **transfer of assets** from the council to the community
- We will **cultivate the existing strength of communities** to self-organise and help them help themselves
- We **encourage volunteering**, and work with communities to build stronger communities through enhanced social responsibility.

### Examples of how we will achieve this include:

- We will work with the North Somerset Partnership to **establish a Community Investment Fund** to support community based ideas
- We will encourage a **local infrastructure organisation** to support community organisations that wish to manage assets and services and to provide effective co-ordination and representation of the civic sector
- We will host a series of **'conversations'** with local communities, aimed at reviewing local priorities and finding different solutions to service delivery
- We will use **Community Agents** to identify gaps in community provision and support in generating self-sustaining community groups
- We will support the successful **Neighbourhood Management** work carried out in South and Central Wards in Weston-super-Mare
- We will **encourage schools** to build upon their local community leadership role and offer services to their communities

## Strategic Partnerships

### What this means to us:

- We are more **collaborative**, working with other councils and organisations, including the private and civic sectors, where it saves us money and makes sense for our residents
- We look to **others to deliver more for us**, commissioning most services through a number of key contracts and partnering arrangements
- We are more **commercially minded** in the way we run our business
- We seek opportunities to **pool resources/funding** with partners in the public/civic sectors
- We develop a number of key **long-term strategic relationships** that will help the council reduce its costs and deliver better outcomes for local people.

### Examples of how we will achieve this include:

- We will build upon our 10-year partnership with **Agilisys**, improving efficiency in service provision
- We will **maximise value** from our major strategic contracts by systematically reviewing high cost contracts around waste services, highways, young people, and services for the elderly, to ensure the contract meets the needs of the service whilst reducing costs
- We will develop partnerships with schools to **deliver integrated support for children** and young people
- We will work with our neighbouring authorities and the West of England **Local Enterprise Partnership (LEP)** to drive economic improvement in North Somerset
- We will work with developers and other partners to meet the need for jobs, homes and infrastructure improvements
- We will develop **Key health partnerships** - seamless care pathways from Community Wards to Community Patches - providing reablement, enablement and independence.

## Stimulating the private and civic sectors

### What this means to us:

- We **transfer the delivery of council services** to the private or civic sector to deliver where it can be demonstrated that they can do so equally effectively, or better.
- We recognise that the public sector capability to invest in major community and infrastructure improvements is significantly reduced, so to **create the conditions** and environment for the private and civic sectors to grow, and invest
- We continue to **encourage indigenous business growth**, encouraging new business start-ups, and make it easier for existing companies to maximise their potential
- We will build capacity within the civic and private sectors so we can commission the provision of high quality efficient services that meet needs.

### Examples of how we will achieve this include:

- We will **secure Government support** for continued investment in major infrastructure schemes in the West of England to support business growth
- We will support North Somerset Enterprise Agency to develop **business incubator space** and maintain business start up advice for local residents
- We will work with major developers to deliver new homes and jobs through **high quality development schemes** in North Somerset, starting with two new urban villages near Weston-super-Mare, and the regeneration of Dolphin Square
- We will work with the North Somerset Partnership to establish a fund to **support the civic sector** as public sector funding decreases in 2011
- We will **commission adult social care** services on an 'enablement' basis with care homes and domiciliary care providers
- We will remodel services to include the transfer of council services to new types of organisation, e.g. **social enterprises**
- We will explore **new models of delivery**, e.g. through traded services with schools, other councils and organisations

### **How we plan to get there – Our Business Improvement Programme**

This document sets out the approaches we plan to take to reshape the council as a whole, and all of the services it provides. The council is progressing a series of service reviews, and is challenging each service area to consider the possibilities and opportunities for remodelling their services, utilising the themes summarised in this document. All of this activity is managed through a cross-council Business Improvement Programme, which provides support to services and co-ordinates activity and resources.

### APPENDIX 3(i) - SCHEDULE OF DRAFT BUDGET REDUCTION PROPOSALS 2011/12- 2014/15

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
Various	ASSH	Adult Social Services	Savings already delivered (see February 2011 budget paper for further details)	A	£1,317,000	£0	£0	£0		
ASSH-01&35(b)	ASSH	Adult Social Services	Pay freeze - Adult Social Services		£224,000	£180,000	£0	£0		
ASSH-13	ASSH	Adult Social Services	Online self assessment for FACS eligibility / financial assessment and potential consolidation of resources to contribute to review capacity		£25,000	£70,500	£0	£0		5.00
ASSH-14	ASSH	Adult Social Services	Personal Budgets 'Payment Cards' - quicker implementation / reduced set up costs / lighter touch monitoring		£25,000	£47,000	£0	£0	1.00	1.00
ASSH-15	ASSH	Adult Social Services	Reduce reliance on transport to / from day care, and additional income relating to transport services		£75,000	£50,000	£0	£0		
ASSH-16	ASSH	Adult Social Services	Development of preventative, information and advise services to reduce direct provision of services to Carers		£0	£260,000	£120,000	£120,000		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
ASSH-17	ASSH	Adult Social Services	Reduce direct provision of services from voluntary sector through development of community based social capital e.g. community connect. Year 1 relates to inflation freeze.		£50,000	£225,000	£112,500	£112,500		
ASSH-18	ASSH	Adult Social Services	Continued targeted review of care packages / provision - specifically LD		£260,000	£350,000	£300,000	£150,000		
ASSH-19	ASSH	Adult Social Services	Continued targeted review of care packages / provision - other services		£260,000	£350,000	£300,000	£150,000		
ASSH-23	ASSH	Adult Social Services	Supplies and services containment e.g. new ways of working AIS / EDRMS		£75,000	£37,500	£37,500	£0		
ASSH-24	ASSH	Adult Social Services	Office accommodation savings net of SLA from CYPs	A	£46,000	£30,000	£0	£0		
ASSH-25	ASSH	Adult Social Services	Improve the cost-effectiveness/efficiency of the in-house re-ablement service (START ) by revising enhancements , rationalising management and improved re-ablement outcomes.		£150,000	£200,000	£280,000	£290,000		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
ASSH-26	ASSH	Adult Social Services	Reduction in Supporting People services by tendering for care and support needs. Will impact on partners, police, health, CYPS and housing. Impact will be phased through mitigation via joint health funding.		£950,000	£120,000	£50,000	£50,000		
ASSH-28a	ASSH	Adult Social Services	Workforce Remodelling Programme which will require enablers such as Practitioner Portal / EDRM and self service approach		£250,000	£235,000	£0	£0	7.00	12.00
ASSH-30	ASSH	Adult Social Services	Reduced reliance on long-term permanent care home provision, through the focus on joint re-ablement and enablement provision		£200,000	£300,000	£350,000	£350,000		
ASSH-31	ASSH	Adult Social Services	Reduction in 'double' manual handling by using technology / better training		£100,000	£100,000	£0	£0		
ASSH-32	ASSH	Adult Social Services	Commissioning Efficiency from the development of enablement provision and improved collaboration between domiciliary and care home providers		£800,000	£500,000	£600,000	£600,000		
ASSH-36	ASSH	Adult Social Services	Fairer Contributions income	A	£55,000	£100,000	£100,000	£100,000		
ASSH-37	ASSH	Adult Social Services	Joint working with NHS on reablement / enablement.		£700,000	£870,000	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
ASSH-39	ASSH	Adult Social Services	Learning Disability service savings arising from reprovion within Worle Community Sports and Learning Disability initiative.		£0	£25,000	£25,000	£0		
ASSH-01&35(a)	ASSH	Housing	Pay freeze - Housing		£27,000	£23,435	£0	£0		
ASSH-02	ASSH	Housing	Housing Staffing efficiency savings		£56,568	£110,466	£50,737	£18,104	0.50	5.50
ASSH-03-05	ASSH	Housing	Reduction in expenditure on preventing homelessness & Homechoice efficiencies		£30,000	£20,000	£0	£10,000		
ASSH-06&07	ASSH	Housing	General supplies and services reduction relating to Housing teams		£13,000	£1,200	£0	£0		
ASSH-08-11	ASSH	Housing	Increased/reprofiled income from: Home choice charges, RSLs, New / Social Housing, Energy efficiency schemes and HMO licensing		£21,000	£16,500	£31,500	£6,500		
CSU-39	CSU	Directorate	Pay freeze		£23,120	£65,120	£0	£0		
CSU-70	CSU	Directorate	Savings to be achieved through voluntary reduction in working hours		£14,000	£0	£0	£23,500	0.40	1.00
Various	CSU	Equality & Diversity	Savings already delivered (see February 2011 budget paper for further details)	A	£40,690	£0	£0	£0		
CSU-62	CSU	Equality & Diversity	Liberata / PCT recharge for training		£0	£5,000	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CSU-67&68	CSU	Equality & Diversity	Delete admin support and remodel equality service		£0	£12,972	£0	£9,682		1.00
Various	CSU	Health & Safety	Savings already delivered (see February 2011 budget paper for further details)	A	£30,200	£0	£0	£0	1.20	
Various	CSU	HR & Performance	Savings already delivered (see February 2011 budget paper for further details)	A	£115,040	£0	£0	£0	3.00	
CSU-41	CSU	HR & Performance	Reduction in Senior HR support and advice resources		£0	£0	£0	£108,100		3.00
CSU-42	CSU	HR & Performance	HR Advisor post		£0	£0	£13,075	£13,075		1.00
CSU-43	CSU	HR & Performance	Reduction in HR Admin Pool		£0	£18,095	£0	£0		1.00
CSU-44	CSU	HR & Performance	Review of Occupational Health contract		£10,000	£0	£17,500	£17,500		
CSU-59	CSU	HR & Performance	Restriction on furniture budget		£0	£5,000	£0	£0		
Various	CSU	Legal & Democratic Services	Savings already delivered (see February 2011 budget paper for further details)	A	£184,625	£0	£0	£0	5.00	
CSU-18	CSU	Legal & Democratic Services	Pay freeze		£31,000	£31,000	£0	£0		
CSU-25	CSU	Legal & Democratic Services	Move schools appeals to shared service		£0	£26,320	£40,420	£0		2.10
CSU-26	CSU	Legal & Democratic Services	Restructure of retained Legal & Democratic service / shared service		£0	£156,040	£0	£18,800		5.40

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CSU-27	CSU	Legal & Democratic Services	Review the process for the delivery of the annual Register of Electors canvass		£15,600	£0	£0	£38,000		
CSU-28	CSU	Legal & Democratic Services	Restructure electoral services		£0	£0	£0	£7,520		0.70
CSU-30-32	CSU	Legal & Democratic Services	Elections team reduction in expenditure (printing and training) and additional income from sales of electoral register		£6,300	£0	£6,000	£0		
CSU-72	CSU	Legal & Democratic Services	Reduction in democratic meetings (half year effect)		£17,000	£9,400	£0	£0		1.00
CSU-76	CSU	Legal & Democratic Services	Voluntary reductions in working hours		£0	£0	£24,440	£75,200		3.00
Various	CSU	Members Budgets	Savings already delivered (see February 2011 budget paper for further details)	A	£80,000	£0	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CSU-77a	CSU	Members Budgets	Costs associated with councillors were reduced by around 10% in the 2011/12. Other than the freeze on members' allowances (which will continue to 2013), no significant additional savings are possible within the Plan period but a reduction in the number of councillors in 2015 is being pursued as a means of securing additional savings from 2015/16.		£0	£0	£0	£0		
Various	CSU	Policy, Marketing and Communication	Savings already delivered (see February 2011 budget paper for further details)	A	£41,000	£0	£0	£0	1.00	
CSU-01	CSU	Policy, Marketing and Communication	Pay freeze		£29,500	£29,000	£0	£0		
CSU-03	CSU	Policy, Marketing and Communication	Increased income / reduced production costs for North Somerset Life		£0	£10,000	£10,000	£10,000		
CSU-04	CSU	Policy, Marketing and Communication	Service review of the Communications team		£0	£17,860	£9,400	£26,320		1.50
CSU-05	CSU	Policy, Marketing and Communication	Advertising income generated from Council website and community TV's		£6,000	£6,000	£6,000	£6,000		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CSU-09	CSU	Policy, Marketing and Communication	Remove Mosaic software and replace with an in-house solution		£0	£0	£0	£9,000		
CSU-10&08	CSU	Policy, Marketing and Communication	Customer Insight work - increase income generated from service charge activity, and remove Place survey		£8,000	£2,000	£2,000	£2,000		
CSU-11	CSU	Policy, Marketing and Communication	Merge Customer Services and Gateway Support teams		£40,000	£25,380	£0	£0	1.00	1.00
CSU-12	CSU	Policy, Marketing and Communication	Review of Graphics service		£0	£12,000	£0	£0		
CSU-14	CSU	Policy, Marketing and Communication	Reduction in print and advertising spend		£41,000	£15,000	£6,000	£9,000		
CSU-15&13	CSU	Policy, Marketing and Communication	Graphics - additional income generation from public and civic sector partners, and materials procurement efficiencies		£15,000	£0	£4,000	£4,000		
CSU-16	CSU	Policy, Marketing and Communication	Reduce secretarial support across the Council		£0	£10,340	£10,340	£0		0.80
CSU-71	CSU	Policy, Marketing and Communication	Traded comms service to partner organisations		£0	£0	£16,000	£0		
CSU-73	CSU	Policy, Marketing and Communication	delete cit panel and replace with partnership place survey		£0	£0	£5,000	£0		
CSU-74	CSU	Policy, Marketing and Communication	Supplies and services savings & materials procurement efficiencies		£0	£23,000	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CSU-75	CSU	Policy, Marketing and Communication	Savings to be identified by Policy, Marketing and Communication		£0	£0	£0	£37,000		
Various	CSU	Safer & Stronger	Savings already delivered (see February 2011 budget paper for further details)	A	£47,000	£0	£0	£0	1.4	
CSU-48	CSU	Safer & Stronger	Removal of two management posts in Safer & Stronger services		£60,000	£33,276	£46,624	£0	1.0	1.0
CSU-51	CSU	Safer & Stronger	Reduce Safer & Stronger Communities programme funding following reduction in Government grant for services such as support for Domestic Violence, Anti-Social Behaviour and Drug & Alcohol work		£60,000	£162,270	£0	£0		2.5
CSU-52	CSU	Safer & Stronger	Reduce CSDAT programme funding		£6,500	£6,000	£0	£0		
CSU-54	CSU	Safer & Stronger	Increase re-charge of existing costs to external grant		£10,000	£10,000	£10,000	£0		
CSU-56	CSU	Safer & Stronger	More efficient shift working within CCTV team		£0	£0	£6,300	£0		
Various	CYPS	Integrated Services	Savings already delivered (see February 2011 budget paper for further details)	A	£2,655,932	£0	£0	£0	7.00	
Various	CYPS	Learning & Achievement	Savings already delivered (see February 2011 budget paper for further details)	A	£643,400	£0	£0	£0	8.90	
Various	CYPS	Strategy Commissioning & Performance	Savings already delivered (see February 2011 budget paper for further details)	A	£1,146,146	£0	£0	£0	3.90	

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CYPS-17	CYPS	Strategy Commissioning & Performance	Full-year effect of previous decision to end discretionary denominational transport	A	£0	£71,000	£66,000	£22,000		
CYPS-12	CYPS	Directorate Wide	Pay freeze		£354,294	£354,000	£0	£0		
CYPS-37	CYPS	Integrated Services	Savings currently being considered as part of transformation programme		£0	£22,000	£149,800	£436,200		
CYPS-25	CYPS	Integrated Services	Reduce management costs within the Integrated Services branch of CYPS		£187,068	£607,188	£0	£0	4.00	7.70
CYPS-26	CYPS	Integrated Services	Review youth service provision through promoting non-NSC funded positive activities, supporting the transfer of responsibility to town / parish councils and community groups or closing youth centres as a last resort (this will ensure that targeted youth support will continue for the most vulnerable)		£195,000	£364,793	£260,566	£0	2.10	22.90
CYPS-27.2a, 29f & 39	CYPS	Integrated Services	Remodel current locality and social care teams into new Community Family Service with a reduction in social work, family support and business support posts		£0	£362,639	£0	£0		13.71

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CYPS-27.5	CYPS	Integrated Services	Remodel case conferencing, statutory review capacity on the basis that numbers of looked after children will reduce		£0	£65,800	£28,200	£0		2.00
CYPS-24	CYPS	Integrated Services	Introduce new models and more cost effective placements for looked after children		£0	£588,000	£779,000	£630,000		
CYPS-28	CYPS	Integrated Services	Additional efficiency targets agreed with voluntary sector providers		£210,000	£70,000	£140,000	£0		
CYPS-29a	CYPS	Integrated Services	Reduction in Legal Fees through a decrease in care proceedings		£0	£85,000	£65,000	£0		
CYPS-29c	CYPS	Integrated Services	Reduction in adoption advertising costs		£0	£50,000	£0	£0		
CYPS-29d	CYPS	Integrated Services	Child Death Overview Panel		£0	£10,000	£0	£0		
CYPS-43	CYPS	Learning & Achievement	Establish the "Learning Exchange" as a traded school improvement service following cessation of grants		£0	£66,740	£0	£0		1.00
CYPS-27.3&27.4	CYPS	Learning & Achievement	Establish the "Learning Exchange" as a traded school improvement service and revise staffing structure to meet statutory requirements		£50,000	£100,000	£86,500	£114,500		10.50
CYPS-01	CYPS	Strategy Commissioning & Performance	Reduce support for schools workforce remodelling in line with cessation of grant		£15,713	£61,100	£11,280	£0	1.00	1.40

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CYPS-03	CYPS	Strategy Commissioning & Performance	Efficiencies in Governor Support service		£2,500	£11,280	£14,100	£0	0.20	
CYPS-05	CYPS	Strategy Commissioning & Performance	Management restructure - 4th tier		£14,192	£34,780	£0	£0	1.00	
CYPS-07	CYPS	Strategy Commissioning & Performance	Ceasing secondment lead integration of children's services		£42,000	£28,234	£0	£0	1.00	
CYPS-08	CYPS	Strategy Commissioning & Performance	Integrate school crossing patrol function		£0	£23,500	£16,920	£0		0.50
CYPS-11	CYPS	Strategy Commissioning & Performance	Pay protection falling out		£0	£0	£0	£11,904		
CYPS-13a	CYPS	Strategy Commissioning & Performance	Cessation of grant funded activity - school support staff		£52,036	£17,860	£12,220	£0		1.00
CYPS-16	CYPS	Strategy Commissioning & Performance	Transfer responsibility and budget for taxi transport to EOTAS		£7,700	£13,000	£14,000	£1,000		
CYPS-18	CYPS	Strategy Commissioning & Performance	Increase concessionary transport fares for pupils out of area		£1,586	£3,000	£3,000	£1,000		
CYPS-19	CYPS	Strategy Commissioning & Performance	Projects to improve walking routes to schools		£0	£74,000	£52,000	£0		
CYPS-20	CYPS	Strategy Commissioning & Performance	Review of business support across the branch		£0	£0	£0	£28,200		1.00
CYPS-21	CYPS	Strategy Commissioning & Performance	Provide all strategic functions corporately		£0	£0	£0	£108,100		2.00

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
Various	D&E	Commissioning Programme	Savings already delivered (see February 2011 budget paper for further details)	A	£448,000	£0	£0	£0	30.30	
Various	D&E	Community & Consumer	Savings already delivered (see February 2011 budget paper for further details)	A	£149,500	£0	£0	£0	0.50	
DE-14	D&E	Community & Consumer	Management Savings to be made in Customer and Consumer Services		£60,000	£56,400	£0	£0	2.00	
DE-16	D&E	Community & Consumer	Service review in Regulatory Services to refocus on high risk services and create efficiencies through new ways of working (started in 2010/11)	A	£295,000	£277,300	£0	£0	14.00	
DE-17	D&E	Community & Consumer	Review of out of hours environmental health stand by and call out services which operates at the weekend		£0	£25,000	£0	£0		
DE-20	D&E	Community & Consumer	Review of Pest Control service to ensure full cost recovery		£0	£30,000	£30,000	£0		
DE-22.1	D&E	Community & Consumer	Introduce electronic self-service into libraries and release staff savings as a result	A	£120,000	£112,800	£0	£0		10.00
DE-25	D&E	Community & Consumer	Engage with local communities in relation to the local provision of community halls		£0	£47,000	£0	£0		1.00

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
DE-26	D&E	Community & Consumer	Seek to recommission community services at the Campus through a management contract		£0	£50,000	£0	£0		
Various	D&E	Directorate	Savings already delivered (see February 2011 budget paper for further details)	A	£25,000	£0	£0	£0	1.00	
DE-01	D&E	Directorate	Pay freeze		£153,000	£187,000	£0	£0		
DE-10	D&E	Directorate	Year 2 effect of completion of Senior Management Review - Assistant Director as per report to Employment Committee	A	£77,500	£15,980	£0	£0	1.00	
DE-12	D&E	Directorate	Reduction in the need for admin support once Somerset House is vacated		£0	£0	£9,400	£0		0.50
Various	D&E	Development Management - Strategic Policy & Research	Savings already delivered (see February 2011 budget paper for further details)	A	£105,340	£0	£0	£0		
DE-28	D&E	Development Management - Strategic Policy & Research	Complete and implement the service review in respect of the planning application service deliver savings through customer self-service, smarter working and staffing reductions	A	£50,000	£18,800	£0	£0	1.50	
DE-31	D&E	Development Management - Strategic Policy & Research	Rationalisation of training budgets		£0	£5,600	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
DE-34	D&E	Development Management - Strategic Policy & Research	Reduction in storage costs		£0	£6,000	£0	£0		
DE-35	D&E	Development Management - Strategic Policy & Research	Cut business directory and conference fees		£0	£0	£14,000	£0		
DE-36	D&E	Development Management - Strategic Policy & Research	Reduction in printing, stationery and graphics costs		£0	£10,000	£0	£0		
DE-37	D&E	Development Management - Strategic Policy & Research	Place more reliance on provisions and reserves for legal fees in relation to planning work		£0	£9,000	£10,000	£26,000		
DE-38	D&E	Development Management - Strategic Policy & Research	Further changes to staffing structures in the planning service in light of increased customer self-service and smarter working following the implementation of the planning service review.		£0	£0	£43,240	£78,020		4.50
DE-39	D&E	Development Management - Strategic Policy & Research	Reduction in the budget set aside to assist with the delivery of strategic projects by 40% and rely more on external funding		£0	£55,000	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
DE-40	D&E	Development Management - Strategic Policy & Research	Year 2 impact of reorganising the management of Section 106 agreements and the community infrastructure levy co-ordination function.	A	£47,495	£14,100	£0	£0	1.00	
DE-41	D&E	Development Management - Strategic Policy & Research	Reduction in LDF policy making budget by 40% and rely more on external funding		£0	£36,000	£0	£0		
DE-94	D&E	Development Management - Strategic Policy & Research	Cut Miscellaneous fees (EDAD) and Conservation budget (SPAD)		£0	£3,000	£3,000	£0		
Various	D&E	Highways & Transport	Savings already delivered (see February 2011 budget paper for further details)	A	£104,000	£0	£0	£0		
DE-43-47	D&E	Highways & Transport	Review of staffing structures in Highways & Transport		£24,000	£50,760	£6,580	£94,940	0.50	5.50
DE-48	D&E	Highways & Transport	Concessionary fares - reduction in budget requirement to reflect expected demand	A	£193,000	£41,000	£41,000	£41,000		
DE-50	D&E	Highways & Transport	Withdrawal of companion concessionary fares passes		£0	£14,000	£0	£0		
DE-52.2, 54, 62 & 66	D&E	Highways & Transport	Reduction in maintenance budgets for highways (10%), footways and drainage (28%), and streetlighting (20%).		£3,000	£326,000	£51,000	£51,000		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
DE-55	D&E	Highways & Transport	Introduce part night street lighting to most residential areas	A	£45,000	£180,000	£75,000	£0		
DE-61	D&E	Highways & Transport	Generate extra street works income through increased charges.		£10,000	£10,000	£0	£35,000		-1.00
DE-63	D&E	Highways & Transport	Repayment of salt barn costs		£0	£0	£0	£30,000		
DE-64	D&E	Highways & Transport	Reduction in salt spread rates following revised guidance		£0	£20,000	£0	£0		
DE-67	D&E	Highways & Transport	Reduce to support WEPO - West of England Partnership by 40%		£20,000	£20,000	£20,000	£33,000		
DE-68	D&E	Highways & Transport	Realise savings through increased automation of traffic data collection		£7,000	£10,000	£0	£0		
DE-70	D&E	Highways & Transport	Reduce sustainable travel, road safety and public transport budgets		£8,000	£7,000	£7,000	£8,000		
DE-71	D&E	Highways & Transport	Reduction in use of concessionary fares passes following route review described in DE-75 below		£0	£144,000	£0	£0		
DE-75	D&E	Highways & Transport	Review and rationalisation of subsidised bus routes, including those previously funded by the government's rural bus subsidy grant		£0	£346,000	£0	£0		
DE-72	D&E	Highways & Transport	Stop spending on the work currently funded by the School Travel Adviser Grant	A	£12,000	£11,280	£0	£0	0.50	

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
DE-74.2a	D&E	Highways & Transport	Further reduce spending previously funded from the Road Safety Grant by reducing local safety schemes and education, training and promotion activity		£200,000	£58,000	£0	£0		
DE-74.2b	D&E	Highways & Transport	Additional road safety savings.		£0	£0	£0	£58,000		
DE-76	D&E	Highways & Transport	Reduced spend & improved process on training, printing equipment		£6,000	£6,000	£6,000	£13,000		
DE-78	D&E	Highways & Transport	Seek to merge the transport functions in D&E, CYPS and ASH		£0	£0	£80,000	£0		
Various	D&E	Streets & Open Spaces	Savings already delivered (see February 2011 budget paper for further details)	A	£847,000	£0	£0	£0	2.00	
DE-79.3	D&E	Streets & Open Spaces	Release vacant posts in waste management and cease funding for waste advisors		£0	£51,700	£0	£0		1.50
DE-79.4	D&E	Streets & Open Spaces	Further reduction in waste staffing		£0	£28,200	£0	£0		1.00
DE-81	D&E	Streets & Open Spaces	Reduce waste and recycling education, communication and promotion budget		£55,000	£50,000	£0	£0		
DE-83	D&E	Streets & Open Spaces	Further improvement of recycling and reductions in waste leading to reduced landfill costs	A	£420,000	£20,000	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
DE-84	D&E	Streets & Open Spaces	Review the provision of public toilets by establishing concessions, transferring ownership to parish and community groups, or closing as a last resort where other options are not viable.		£0	£0	£400,000	£0		
DE-85.2	D&E	Streets & Open Spaces	Reduction in street cleansing expenditure on re-let of contract		£0	£0	£280,000	£0		
DE-86.3	D&E	Streets & Open Spaces	Grounds maintenance, natural environment - reduce to core activities		£0	£253,000	£57,000	£50,000		
DE-86.5	D&E	Streets & Open Spaces	Grounds maintenance, natural environment - reduction in staffing		£19,000	£83,660	£0	£63,920	0.60	4.60
DE-90.2	D&E	Streets & Open Spaces	Income from concessions - fundamental review to ensure significant increase		£0	£0	£150,000	£0		
DE-91.2	D&E	Streets & Open Spaces	Income from events - review of policy to increase income		£0	£0	£0	£75,000		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
Various	F&R	Directorate	Savings to be identified mainly through a service review of retained F&R functions, reporting in November 2011. Review focuses on the leadership, people management and processes of F&R with the objective of securing savings from smarter working, together with targeted adjustment to service specifications of both retained and outsourced functions. FTE impact is indicative at this stage.	A	£0	£192,820	£121,780	£438,027		12.10
Various	F&R	Finance Division	Savings already delivered (see February 2011 budget paper for further details)	A	£428,000	£0	£0	£0	3.50	
FR-27	F&R	Finance Division	Restructure of the GIS Service following ill-health retirement of the previous manager, with subsequent reduction in one post.	A	£14,000	£9,400	£0	£0	1.00	
FR-30&FR-48	F&R	Finance Division	Fraud - Revise prosecution and sanction policy to focus on recouping funds and assets rather than prosecution. Cessation of Benefit Fraud investigation		£20,000	£30,000	£36,480	£0		3.00

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
FR-32	F&R	Finance Division	Reduction in the cost of the Council's contract for archiving of documents		£0	£26,000	£0	£0		
FR-36	F&R	Finance Division	A sustained improvement in the performance in the recovery of Housing & Council Tax Benefit overpayments		£100,000	£50,000	£0	£0		
FR-37	F&R	Finance Division	Increase in the charge for debt summons by £5 from the current level of £80		£20,000	£20,000	£20,000	£20,000		
FR-38	F&R	Finance Division	Savings realised through the letting of the contract for support services, revenues and benefits and business improvement	A	£516,000	£749,000	£404,000	£86,000		
FR-39	F&R	Finance Division	Savings to be realised through downward variations in the volume of activity through the support services contract (e.g. to reflect a reduction in the number of staff employed by the Council)		£50,000	£0	£0	£160,000		
FR-41	F&R	Finance Division	Pay freeze		£74,000	£74,000	£0	£0		
Various	F&R	Financial Management	Savings already delivered (see February 2011 budget paper for further details)	A	£115,000	£0	£0	£0	1.00	

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
FR-01&02	F&R	Financial Management	Reduce the resources available for accountancy functions, by smarter and more effective use of the new financial management system		£64,341	£45,000	£0	£0	2.00	
FR-06	F&R	Financial Management	Pay freeze		£6,000	£6,000	£0	£0		
Various	F&R	Property & Asset Management	Savings already delivered (see February 2011 budget paper for further details)	A	£75,000	£0	£0	£0	5.00	
FR-08	F&R	Property & Asset Management	Savings to be realised through the consolidation of the Council's office estate (currently 18 buildings) down to two main hubs at Town Hall, WsM and Castlewood, Clevedon, and one-off reduction in planned preventative maintenance costs in year 1		£200,000	£508,000	£665,000	£114,000		
FR-15	F&R	Property & Asset Management	Pay freeze		£38,000	£38,000	£0	£0		
CMT-01	CMT	CMT	Review of the organisational structure of the Council and likely reduction in the number of directorates	A	£0	£165,000	£150,400	£0		4.00
CMT-02	CMT	CMT	Pay freeze		£17,000	£17,000	£0	£0		

Ref	Dir	Service	Budget Reduction Proposal	Status (see note)	Budget Reduction (£)				Staffing Reduction (fte)	
					2011/12	2012/13	2013/14	2014/15	2011/12	2012-14
CMT-03	CMT	Corporate Wide	Savings arising from the transfer of schools to academies	A	£200,000	£0	£0	£0		
BI-03	BI Initiatives	Partnership & Business Improvement	The merging of all Council debt and standardisation of debt collection to improve debt recovery.		£44,000	£343,000	£0	£0		
BI-09	BI Initiatives	Partnership & Business Improvement	Rationalisation of the Council circa 100 network links to improve the design and provide savings.		£0	£70,000	£64,000	£0		
BI-10	BI Initiatives	Partnership & Business Improvement	Reduction in mobile devices through de-duplication and assigning the appropriate equipment to job roles.		£25,000	£25,000	£0	£0		
BI-12	BI Initiatives	Partnership & Business Improvement	Printer Strategy - Increased roll out of MFDs, elimination of superfluous printers - aligned to the Office Amalgamation Programme.		£0	£45,000	£50,000	£0		
BI-13	BI Initiatives	Partnership & Business Improvement	Savings identified from a programme of procurement activities across the council (see February 2010 budget paper) but subject to review as a result of delayed delivery	A	£1,315,000	£0	£0	£0		
<b>Totals</b>					£19,043,886	£13,099,388	£7,083,802	£5,199,613	119.00	159.91

**Note: Status – A = already approved (and, in some cases, already realised)**

## APPENDIX 3(ii) - SCHEDULE OF DRAFT COST PRESSURES 2012/13- 2014/15

Dir Ref No	Key Priority Item Identified	Directorate	Service	Description / Further Details of Budget Amendment	Financial Impact		
					2012/13 £000	2013/14 £000	2014/15 £000
<b>Corporate Growth - Super Inflation;</b>							
	Care in the Community	ASS&H	Adult Social Services	Super-inflation approx 3.2% (e.g. 1.2% above 2% allowance required) for community care providers. Primarily relates to domiciliary care.	172	178	179
	Care in the Community	ASS&H	Adult Social Services	Super-inflation (e.g. above 2% allowance required) for community care providers of residential & nursing home care.	0	TBA	TBA
	Home to Schools Transport	CYPS	Strategy Commissioning & Performance	Super-inflation primarily relating to fuel costs is approx 5.2% (e.g. 3.2% above 2% allowance) in respect of contracts for the provision of home to schools transport. Mitigating actions already in place, e.g increase in income from concessionary fares; improvements to 'unsafe' walking routes and public transport; phased ending of denominational transport.	100	TBA	TBA
	Landfill Tax	D&E	Streets & Open Spaces	New services and new contract reduce future costs by £11m over 7 years as landfill reduces from 63,000 tonnes in 2009/10 to 24,500 tonnes in 2011/12. Further actual cost increases are unavoidable as landfill tax increases by £8 / tonne / annum. Current budget is for 19,900 tonnes at £76 / tonne and shows a net overspend in the current year (£140k). Required for 2012/13 = 23,500 tonnes @ £84 / tonne	276	96	80
	Waste disposal and treatment	D&E	Streets & Open Spaces	Anticipated contract inflation required in excess of 2% allowance	185	111	111
	Waste collection	D&E	Streets & Open Spaces	Anticipated contract inflation required in excess of 2% allowance	160	80	80
	HWRCs	D&E	Streets & Open Spaces	Anticipated contract inflation required in excess of 2% allowance	32	16	16

Dir Ref No	Key Priority Item Identified	Directorate	Service	Description / Further Details of Budget Amendment	Financial Impact		
					2012/13 £000	2013/14 £000	2014/15 £000
	Grounds and trees maintenance	D&E	Streets & Open Spaces	Anticipated contract inflation required in excess of 2% allowance	35	35	35
	Highways maintenance	D&E	Streets & Open Spaces	Anticipated contract inflation required in excess of 2% allowance	60	60	60
	Street lighting maintenance	D&E	Streets & Open Spaces	Anticipated contract inflation required in excess of 2% allowance	22	22	22
	Leisure centres	D&E	Leisure & Libraries	Anticipated contract inflation required in excess of 2% allowance	37	37	37
<b>Sub Total re Super Inflation Growth</b>					<b>1,079</b>	<b>635</b>	<b>620</b>

**Corporate Growth - Demographic Pressures;**

	Care in the Community	ASS&H	Adults	Demographics - Older People (65 and over)	915	697	697
	Care in the Community	ASS&H	Adults	Demographics - Physical & Sensory Impairment (18-64)	(9)	20	25
	Care in the Community	ASS&H	Adults	Demographics - Learning Disabilities (18-64)	93	130	130
	Care in the Community	ASS&H	Adults	Demographics - Mental Ill Health (18-64)	11	18	29
	Care in the Community	ASS&H	Adults	Transition cases - Across all client groups from Transitions Database (operational & governance groups in place). Growth assumption based upon retaining provision of capital resources.	1,400	1,570	2,246
	Care in the Community	ASS&H	Adults	Over 18's returning from residential college (assumed 40% efficiency saving on commissioning)	350	255	113
	Increase in Properties - Waste and recycling collections	D&E	Streets & Open Spaces	Assumes 1% growth in property numbers @ c.£45 per property	41	42	42
<b>Sub Total re Demographic Pressures Growth</b>					<b>2,801</b>	<b>2,732</b>	<b>3,282</b>

Dir Ref No	Key Priority Item Identified	Directorate	Service	Description / Further Details of Budget Amendment	Financial Impact		
					2012/13 £000	2013/14 £000	2014/15 £000
<b>Corporate Growth - Legislative Requirements;</b>							
	Reablement	ASS&H	Adults	DH guidance LAC(DH)6 2010 - removed ability to charge for first 6 weeks of care Offset in 2011/12 and 2012/13 by joint health monies. Uncertainty of funding April 2013 onwards.	0	156	0
	Blue Badges	ASS&H	Adults	Introduction of Blue Badge applications (Dept for Transport) via Direct.Gov - potential to increase charge from £2 per badge to £10 per badge, however, NSC abolished charging following members lobbying that each cheque cost the Council £15 to process. Unlikely to have political backing to re-introduce.	30	0	0
	Threshold Cases	ASS&H	Adults	Currently capital threshold is £23,250 - when a self funder's capital goes below this amount, they become the responsibility of the LA. Dilnot Report indicated this threshold to be increased to £100,000. We therefore anticipate that part of the Government's response to the Dilnot report will be to increase the capital thresholds in excess of inflation. Given the disproportionately large elderly population in North Somerset, this is anticipated to have a disproportionately large impact. For every 100 additional service users added as a result of an increase in capital thresholds the commitment required will increase by £1.6m.	?	?	?
	Reduction in funding for Academies	CYPS / Other	Learning & Achievement	Change in funding arrangements by DCLG to reflect the transfer of responsibilities to Academy Schools.	400	0	0
	Introduction of Carbon Tax Allowances	F&R	Property & Asset Mgmt	Net impact as a result of the introduction of Carbon Tax Allowances	82	60	0
<b>Sub Total re Legislative Requirements Growth</b>					<b>512</b>	<b>216</b>	<b>0</b>

Dir Ref No	Key Priority Item Identified	Directorate	Service	Description / Further Details of Budget Amendment	Financial Impact		
					2012/13 £000	2013/14 £000	2014/15 £000
<b>Corporate Growth - Implementing Agreed Strategies &amp; Service Reviews;</b>							
	RFID investment costs	D&E	Leisure & Libraries	Additional revenue costs as per BRC savings proposal and 2011/12 MTFP; more than offset by £240k net savings	35	0	0
	Transformation Project costs	F&R	Business Improvement	Increase in ICT costs to enable mobile working and video conferencing, budget savings reflected within existing BRC proposals	12	0	0
	ESCR - Information @ work	F&R	Business Improvement	Increase in ICT costs to enable information@work project, budget savings reflected within existing BRC proposals	52	0	0
<b>Sub Total re Implementing Agreed Strategies &amp; Service Reviews</b>					<b>99</b>	<b>0</b>	<b>0</b>
<b>Corporate Growth - Capital Projects, Financing, Interest &amp; Other Growth;</b>							
	Reduction in car parking income	D&E	Streets & Open Spaces	As per report to Council January 2011: closure of car parks and revised lease arrangements following Dolphin Square redevelopment	179	0	0
	Reduction in Building Control income	D&E	Community & Consumer	New CIPFA charging methodology requires us to only recover chargeable costs. Gross costs have been reduced by 30% as part of BRP	88	88	0
	Reduction in Development Control income	D&E	Devel Mgmt - Strategic Policy & Research	Current extent of under-recovery - local charging is to follow, which will allow us to recover only chargeable costs as BC above. Mitigation all declared through BRP	122	122	0
	Reduction in S38 income	D&E	Highways & Transport	Mitigation is all declared as part of BRP	30	30	0
	Reduction in Land Charges income	F&R	Corporate Finance	Continued reduction in land charge fee income as result of sustained reduction in activity within the property market	41	41	0

Dir Ref No	Key Priority Item Identified	Directorate	Service	Description / Further Details of Budget Amendment	Financial Impact		
					2012/13 £000	2013/14 £000	2014/15 £000
	Reduction in Investment Interest	Capital Financing & Interest	Investment Income	Continued reduction in investment interest income generated as result of both sustained reduction in interest rates; and reduced levels of cash-flows managed by the authority	443	0	0
	Increase in Prudential Borrowing costs	Capital Financing & Interest	Capital Financing	Increase in external borrowing costs to financing projects within the Council's approved capital programme	217	327	156
<b>Sub Total re Capital Projects, Financing, Interest &amp; Other Growth</b>					<b>1,120</b>	<b>608</b>	<b>156</b>
<b>Total Growth Requirements</b>					<b>5,611</b>	<b>4,191</b>	<b>4,058</b>

## APPENDIX 4 – SPECIFIC GRANTS 2011/12 – 2014/15

Grant	2011/12 Actual £m	2012/13 Provisional £m	2013/14 £m	2014/15 £m
Learning Disability and Health Reform	5.818	5.956	not known	not known
Early Intervention	6.762	7.180	not known	not known
Housing and Council Tax Benefit Subsidy Admin	1.755	not known	not known	not known
Preventing Homelessness	0.057	0.057	not known	not known
Community Safety Fund	0.192	0.097	not known	not known
Lead Local Flood Authorities	0.144	0.265	not known	not known
Inshore Fisheries Conservation Authorities	0.043	0.043	not known	not known
Council Tax Freeze	2.278	2.278	2.278	2.278
<b>Total Specific Grants</b>	<b>17.049</b>	<b>15.876</b>	<b>2.278</b>	<b>2.278</b>
NHS funding to support social care and benefit health	2.539	2.455	not known	not known

## APPENDIX 5 – CURRENT APPROVED CAPITAL PROGRAMME

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	<b><u>CAPITAL MONITORING SUMMARY</u></b>				
<b>APPROVED GENERAL FUND CAPITAL SCHEMES</b>					
Children & Young People's Services	19,913,655	400,000	0	0	20,313,655
Adult Social Services	2,160,249	500,000	0	0	2,660,249
Housing General Fund	3,408,572	1,035,000	900,000	0	5,343,572
Finance & Resources and Corporate Services	14,828,108	2,400,000	400,000	0	17,628,108
Development & Environment	20,566,670	7,266,000	8,003,000	7,394,000	43,229,670
	<b>60,877,254</b>	<b>11,601,000</b>	<b>9,303,000</b>	<b>7,394,000</b>	<b>89,175,254</b>
<b>CAPITAL PROJECTS SUBJECT TO BID &amp; FULL APPROVAL</b>					
Children & Young People's Services	7,150,683	0	0	0	7,150,683
Finance & Resources and Corporate Services	1,045,800	0	0	0	1,045,800
	8,196,483	0	0	0	8,196,483
<b>AUTHORITY TOTAL</b>	<b>69,073,737</b>	<b>11,601,000</b>	<b>9,303,000</b>	<b>7,394,000</b>	<b>97,371,737</b>
-					

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	<b><u>CHILDREN &amp; YOUNG PEOPLE'S SERVICES</u></b>				
<b>Primary Schools</b>					
Milton Infant & Junior Schools	2,285,000				2,285,000
St Andrews/Glebe Amalgamation	2,071,631				2,071,631
Birdwell Expansion	1,429,093				1,429,093
Winford	210,307				210,307
Yeo Moor Amalgamation	1,549,977				1,549,977
Trinity Expansion	1,335,136				1,335,136
Walliscote Primary - PCP	75,000				75,000
Mary Elton Primary	135,021				135,021
St Martins Junior	1,390,000				1,390,000
Mendip Green	500,000				500,000
Hillside First	100,000				100,000
Wrington Cof E	260,000				260,000
Worlebury St Paul's	308,000				308,000
St Peter's Cof E	75,000				75,000
Portishead Primary	75,000				75,000
<b>Secondary Schools</b>					
Backwell TCF Diploma 14-19 Project	904,462				904,462
Gordana TCF Diploma 14-19 Project	1,265,959				1,265,959
Hans Price Academy EIG Grant	78,084				78,084
<b>Special Schools</b>					
Larch Center Remodel	427,202				427,202

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	<b><u>CHILDREN &amp; YOUNG PEOPLE'S SERVICES (Contd)</u></b>				
<b>Programmes</b>					
Cap Modernisation	823,061				823,061
Devolved Formula Capital	1,601,624	400,000			2,001,624
Locality Based Teams	128,056				128,056
Disabled Access 2010/11	169,187				169,187
Statutory Compliance	1,100,000				1,100,000
<b>ICT</b>					
ICT Equipment for North Federation	25,450				25,450
<b>Youth, Play &amp; Pre-School</b>					
Pill Youth Club	7,521				7,521
Portishead Youth Centre	633,648				633,648
Weston Youth Centre	59,775				59,775
Early Years Access for All	620,461				620,461
<b>Capital Programme 2011/12</b>					
Stafford Place	70,000				70,000
Learning Changes at Westhaven	100,000				100,000
<i>Resource Centre for KS2</i>	100,000				100,000
	<b>19,913,655</b>	<b>400,000</b>	<b>0</b>	<b>0</b>	<b>20,313,655</b>

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
<b><u>ADULT SOCIAL SERVICES</u></b>					
<b>Elderly &amp; Learning Disabled</b>					
Ebdon Court Redevelopment	159,446				159,446
Telecare	86,457				86,457
Learning Disabilities Accommodation	1,061,216				1,061,216
<b>Other</b>					
Health & Safety Works - Various Schemes	26,798				26,798
Electronic Scheduling & Monitoring System	5,700				5,700
Anite Contract re AIS Contract	43,845				43,845
Anite Contract re AIS Hardware	128,401				128,401
Integration / Transforming Social Care	13,386				13,386
<b>Capital Programme 2011/12</b>					
<i>Supported Housing Delivery</i>	485,000	500,000			985,000
Self Service Initiatives	150,000				150,000
	<b>2,160,249</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>2,660,249</b>
<b><u>HOUSING - GENERAL FUND</u></b>					
<b>Private Sector Renewal</b>					
Disabled Facilities Grants	1,524,000	535,000	400,000		2,459,000
Other Private Sector Renewal	271,911				271,911
<b>Assistance to Housing Associations</b>					
Social Housing Grants (LASHG)	1,040,321	500,000	500,000		2,040,321
Social Housing Grants (LASHG) - re S106	72,340				72,340
Repurchase Leasehold Property	500,000				500,000
	<b>3,408,572</b>	<b>1,035,000</b>	<b>900,000</b>	<b>0</b>	<b>5,343,572</b>

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	<b>FINANCE &amp; RESOURCES AND CORPORATE SERVICES</b>				
<b>ICT Projects</b>					
Information Security Policy	27,866				27,866
GIS Expansion	6,950				6,950
Intranet GIS Application Ph 3	4,650				4,650
CICT Telephony	47,176				47,176
Partnership Transformation Programme	1,160,000				1,160,000
<b>Asset Management Plan &amp; OAP Programme</b>					
Asset Management Plan	675,964	400,000	400,000		1,475,964
Castlewood Feasibility	68,358				68,358
Office Amalgamation IT	48,596				48,596
Castlewood Fit Out & Remodelling	366,529				366,529
Dilapidations	300,000				300,000
OAPTown Hall Feasibility	(13,677)				(13,677)
OAP Town Hall Enabling Works	(24,344)				(24,344)
OAP Town Hall Redevelopment	7,450,000	2,000,000			9,450,000
<b>Customer Interface Delivery</b>					
Customer Infrastructure Delivery	42,997				42,997
Gateways	14,043				14,043
Paperless Parishes	53,000				53,000
<b>Capital Programme 2011/12</b>					
<i>Partnership Transformation Programme</i>	1,000,000				1,000,000
<i>Carbon Management Plan</i>	3,600,000				3,600,000
	<b>14,828,108</b>	<b>2,400,000</b>	<b>400,000</b>	<b>0</b>	<b>17,628,108</b>

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
<b><u>DEVELOPMENT &amp; ENVIRONMENT</u></b>					
<b>Community &amp; Consumer</b>					
<b><i>Community</i></b>					
<i>North Worle Leisure</i>	<b>2,475,000</b>				<b>2,475,000</b>
Hutton Moor Pitches	<b>17,542</b>				<b>17,542</b>
Libraries Management System	<b>67,536</b>				<b>67,536</b>
Tropicana	<b>48,157</b>				<b>48,157</b>
Worle & Clevedon Library	<b>1,188</b>				<b>1,188</b>
Gateways	<b>19,328</b>				<b>19,328</b>
Community Library at HLC	<b>47,480</b>				<b>47,480</b>
Ticketing & Event Management System	<b>22,354</b>				<b>22,354</b>
Leisure Centre Investment - North & West	<b>344,175</b>				<b>344,175</b>
Churchill Sports Centre	<b>860,000</b>				<b>860,000</b>
Comm Prog - Winter Gardens Tourist Info Service	<b>8,000</b>				<b>8,000</b>
Comm Prog - Refurbishment	<b>418,865</b>	209,000	209,000		<b>836,865</b>
Comm Prog - Museum Collections Storage	<b>120,000</b>				<b>120,000</b>
Swiss Valley Sports Centre All Weather Pitch	<b>160,000</b>				<b>160,000</b>
Gordano Sports Centre All Weather Pitch	<b>160,000</b>				<b>160,000</b>
Contribution for Burlington Street	<b>100,000</b>				<b>100,000</b>
Works Re Ancillary Buildings	<b>19,837</b>				<b>19,837</b>
Clevedon Swiss Valley Reception	<b>75,000</b>				<b>75,000</b>
RFID In Libraries	<b>250,000</b>				<b>250,000</b>
<b><i>Consumer</i></b>					
Ebdon Grounds Land Purchase	<b>17,194</b>				<b>17,194</b>

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	Cemetery (Portishead Boundary Railings)	25,000			
Mobile Working Env & Consumer Services	100,000				100,000
<b>Highways &amp; Transport</b>					
<i>Highways</i>					
- LTP 2010/11					
Integrated Transport Schemes 2010/11	217,444				217,444
Maintenance Schemes 2010/11	931,157				931,157
- LTP 2011/12					
* <b>Integrated Transport Schemes</b>					
Public Transport Schemes	201,774	1,018,000	1,018,000		2,237,774
Congestion Management	3,000				3,000
Walking	33,000				33,000
Cycling Programme	187,500				187,500
Safety & Travel Plans	217,000				217,000
Other Schemes	152,500				152,500
Programme Management	9,226				9,226
Cross Cutting	150,000				150,000
* <b>Maintenance Schemes</b>					
Principal Roads	1,286,860	3,543,000	3,399,000		8,228,860
Non Principal Roads	1,671,800				1,671,800
Bridges & Structures	505,000				505,000
Street Lighting	252,540				252,540
Traffic Signals	64,000				64,000
Asset Officer	36,800				36,800
- <b>Other Highways &amp; Street Lighting</b>					

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	Highways Maintenance	1,351,855	550,000	550,000	
Safe Routes to Schools	204,924				204,924
Street Lighting Lamp Column Replacement	325,897	275,000	275,000		875,897
Part Night Street Lighting	150,000				150,000
Milton Hill Flood Mitigation	92,557				92,557
Part Night Street Lighting Ph III	200,000				200,000
<b>Transport</b>					
LTP Major Schemes Bid	0	0	0	0	0
AV Rapid Transit	240,000	538,000	958,000	562,000	2,298,000
Weston Package	1,298,000	364,000	725,000	617,000	3,004,000
Highways Agency	0				0
South Bristol Link	569,000	769,000	869,000	6,215,000	8,422,000
<b>Streets &amp; Open Spaces</b>					
<b>Open Spaces</b>					
Elm Farm Play Area	27,595				27,595
S106 Works re Elm Farm Public Access	6,708				6,708
S106 Improvements to Ashcombe Park, WsM	13,750				13,750
S106 Provision of Off-Site Play Area, Rozel, WsM	0				0
S106 Provision of Open Space off Summer Lane, WsM	37,000				37,000
MUGA Initiative	42,118				42,118
Pill Park, Portishead	140,440				140,440
MUGA at Trinity School, Portishead	2,941				2,941
<b>Parking</b>					
Melrose Car Park Enhancement	2,174				2,174

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	<b>Vehicles</b>				
Vehicles - School Minibuses	7,375				7,375
Vehicles - Streets & Open Spaces Area Officers	42,610				42,610
Vehicles - H&T Electrical Team	13,501				13,501
<i>Vehicle - ASS&amp;H Scotch Horn</i>	<i>28,500</i>				<i>28,500</i>
<b>Other</b>					
Improvements to Tidal Trail	65,886				65,886
Biodiversity Projects	6,941				6,941
Highways Asset Management	175,145				175,145
Acoustic Fencing at Backwell HWRC	5,528				5,528
Waste Containers	200,163				200,163
<i>Salt Barn</i>	<i>50,000</i>				<i>50,000</i>
<i>Transfer Station</i>	<i>2,600,000</i>				<i>2,600,000</i>
<b>Strategic Projects</b>					
<b>Strategic</b>					
Weston Sea Defences	744,205				744,205
S106 Works re Public Art Timeline Portishead	10,420				10,420
Sea Wall Railings	380,000				380,000
<b>Civic Pride</b>					
Pier Square Ph I and II (incl Regent Street)	16,396				16,396
<b>Partnership</b>					
LAA PRG Neighbourhood Management	159,000				159,000
<b>Other</b>					
ICT Improvements & Investments	60,670				60,670
MVM ICT Improvements	19,114				19,114

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
	20,566,670	7,266,000	8,003,000	7,394,000	43,229,670
<b><u>CAPITAL FUNDING STILL TO BE ALLOCATED</u></b>					
<b>Children &amp; Young People's Services</b>					
Childrens Centres Phase III	48,432				48,432
Primary Capital Programme	1,070,276				1,070,276
<i>Capital Maintenance</i>	761,000				761,000
<i>Basic Need</i>	3,050,000				3,050,000
Extended Schools	75,000				75,000
TCF - 14-19 Diplomas, SEN & Disabilities	156,097				156,097
Schools Kitchen Grant	1,493,878				1,493,878
Disabled Children	296,000				296,000
Increasing Primary Places	200,000				200,000
<b>Finance &amp; Resources and Corporate Services</b>					
<i>Feasibility Fund</i>	271,800				271,800
<i>Contingency for urgent bids</i>	774,000				774,000
<i>Reserve for Projects Under Review</i>	0				0
Resources returned following Project Review Oct 2010	0				0
	8,196,483	0	0	0	8,196,483

Scheme	APPROVED BUDGET				TOTAL BUDGET £
	2011/12 Estimated Spend £	2012/13 Estimated Spend £	2013/14 Estimated Spend £	2014/15+ Estimated Spend £	
<b>Memorandum Table - Partnership Transformation Programme</b>					
Electronic Documents and Records Management System	652,735	120,000			772,735
Financial Management System	1,120,000	591,502			1,711,502
HR / Payroll System	315,484	31,548			347,032
Customer Engagement Project	532,205				532,205
Public Sector Platform	184,000				184,000
Virtual Desktop Infrastructure	708,784				708,784
	<b>3,513,208</b>	<b>743,050</b>	<b>0</b>	<b>0</b>	<b>4,256,258</b>
<b>Financed by:</b>					
Capital Programme (incl £500k external RIEP grant)	2,160,000				2,160,000
Revenue Savings	100,000	124,166			224,166
Procurement Control Savings	278,000	278,000			556,000
Transformation Reserve	631,000				631,000
Contribution from External Bodies	102,000				102,000
Transition Contingency Budget (in respect of enabled savings included in the MTFP for years 1 & 2)	250,000	302,480			552,480
<i>Shortfall to be identified</i>		30,612			30,612
	<b>3,521,000</b>	<b>735,258</b>	<b>0</b>	<b>0</b>	<b>4,256,258</b>

## APPENDIX 6

### Budget Reduction Proposals 2012/13 Initial Equality Impact Assessments (EIAs)

#### Introduction & Context

Equality Impact Assessments (EIAs) are undertaken to demonstrate that the council has paid 'due regard' to the need to eliminate discrimination, promote equality and foster good relations in all aspects of its work including the services we deliver, our policies and the decisions we take.

Members will recall that the 2011/12 budget proposals included details on the EIAs completed for the 2011/12 budget reduction proposals.

As part of the council's ongoing commitment to equality and diversity, managers are updating these EIAs to identify any further potential impacts of their proposals included in the Medium Term Financial plan on diverse or more vulnerable groups within our communities. The EIAs will also identify actions that have been or are proposed to be taken to mitigate that impact.

#### Initial Assessments

All areas across the council have prepared an initial EIA. Where the initial assessment identified a potential medium or high impact on service users or staff these proposals have been subject to an 'internal challenge' workshop.

The purpose of the workshop was to further consider, strengthen and develop the information included in the EIA and ensure that mitigating actions have been identified.

A copy of the draft assessments can be found at [www.n-somerset.gov.uk/equalities](http://www.n-somerset.gov.uk/equalities) , alternatively please contact Louise Roberts, Equality and Diversity Manager (01934 634832, [louise.roberts@n-somerset.gov.uk](mailto:louise.roberts@n-somerset.gov.uk)).

#### Consultation

Extensive consultation on the EIAs is underway. Groups that we are consulting with include:

- Physical and Sensory Impairment Engagement Group
- BME Forum
- Equality Scheme Implementation (Stakeholder) Group
- Social Care Provider Forums
- Service-user groups
- Improving Outcomes for Older People
- Older People Champions Group
- Trade unions

The results of this consultation, along with any comments raised during the public consultation of the budget proposals, will be provided to Members in January 2012 when the final equality impact assessments are published.

## Potential Impacts

The initial EIAs identify a number of areas as having potentially high impact on diverse or vulnerable groups. The table below identifies these areas and the proposed mitigating actions to reduce the impact.

Full details of all of the potential equality impacts identified in the Medium Term Financial Plan can be found on the draft assessments. [www.n-somerset.gov.uk/equalities](http://www.n-somerset.gov.uk/equalities)

	<b>High impact area</b>	<b>Proposals to mitigate the impact</b>
CYPS 24	Introducing new models for cost effective placements for looked after children	A strategy has been put in place to increase the number of skilled in-house foster carers including specialist emergency placements which will reduce the need to purchase external independent fostering agency and residential placements.
CYPS 26	Remodelling youth service provision	Workshops and consultation with the aim of supporting and enabling the local community to continue to deliver services through a partnership model.  Ongoing targeted youth work to support the most vulnerable young people in the community.
CYPS27.2a, 29f & 39	Remodelling current locality and social care teams into a new Community Family Service	The new model of service delivery is being designed to offer a more efficient and effective service to children and families in the greatest need. With the overall aim of preventing family breakdown by offering a more intensive level of support for the families most in need.
ASSH02	Review of housing services resources	Applicants are being encouraged to fill in their application forms online. Work has been completed with local voluntary groups to investigate the need for further support for older and vulnerable people in completing the forms online Support continues to be available for people who are unable to complete the form online.  However waiting times are increasing and it is hoped that this will be addressed through the design of new customer handling arrangements in the refurbished town hall.
ASSH16 & 17	Development of Community Connect, preventative, information and advice services and a review of	It is anticipated that there will be benefits through reducing the number of separate contractual arrangements

	direct provision of services from the voluntary sector	and grouping services. The savings will be largely achieved through improved efficiencies in administration and overhead costs.
DE22.1	The introduction of electronic self-service into libraries and reducing staff resources	In a number of areas this project positively extends the options available to diverse groups including the option to provide information in a wide range of languages and formats.  Staff will continue to be available to support library users through the introduction of the new technology. Staff will continue to be available to support people who are unable to access the new self-service equipment.
DE50	Review of companion concessionary fares bus passes	Options for mitigating the impact will be explored through the consultation process. Consultation will include contacting companion pass holders to review the use of the companion passes as well as identifying the impact on users.
DE84	Review the provision of public toilets	The project will actively pursue alternative ways of providing public toilets, these include: - Transferring ownership and responsibility to town and parish councils - Including provision within concessions - Introduction of Community Toilet Scheme
CSU51	The deletion of the Safer and Stronger Communities Funding  - A reduction in the funding available for Domestic Violence, Anti-social behaviour and Drug and Alcohol work	A wide range of actions have already been taken to mitigate the impact, for example: - Work with the voluntary sector to encourage them to raise funds externally - Strengthening the links with the SEEDS domestic survivors group to enable them to carry out awareness raising activities. -Setting a contingency fund to allow new funding arrangements to be confirmed by the Police and Crime Commissioner.

Views on these proposals and their potential impact will continue to be sought during consultation of the EIAs.

The outcomes of the consultation and full details of the mitigating actions will be included in the final assessments, which will be available by January 2012.

### **Impact on North Somerset Council staff**

The MTFP 2011/12 to 2014/15 indicates that approximately 335 fte posts will be affected by the budget proposals over this period.

We have been already been planning on the basis of a significant reduction in funding of public services. Initiatives already in place to mitigate the impact on staff include:

- Holding posts vacant or filling them on a temporary or fixed term basis
- Re-provision of services with other providers and staff transferring via TUPE
- Offering redeployment and retraining opportunities to 'at risk' staff
- Pursuing changes to terms and conditions to reduce the pay bill to help mitigate the number of compulsory redundancies

Given the scale of budget reductions that have to be achieved, some job losses are inevitable. The council's stated policy is to avoid compulsory redundancy whenever possible and this will be achieved through the actions set out above.

We will commence consultation at the earliest possible opportunity, irrespective of the number of employees involved.

### **Ongoing monitoring**

A number of changes have already been made to service provision and monitoring is in place to review the effectiveness of those changes.

The Executive and the Corporate Management Team will continue to monitor the impacts of the budget proposals through monthly budget reports.

### **Next Steps**

- Initial Equality Impact Assessments will continue to be subject to consultation and amended as appropriate to reflect the comments received.

Detailed EIAs will be available on the Council website from January 2012.

## Appendix 7 – Risk Assessment

### Financial

There is a risk that the projections of budget deficit prove to be under-estimates, possibly because of unforeseen changes in the way in which government funding reductions will flow through the distribution formulae to impact on North Somerset, or because spending pressures prove to be understated. To mitigate this risk, the Head of Financial Management maintains a funding model that is regularly updated to take account of changing circumstances and new intelligence.

Whatever the level of projected deficit, there is a risk that proposed savings prove to be insufficiently deliverable, leading to budget overspendings. The budget strategy has mitigated this risk by selecting savings proposals for 2011/12 with a high degree of assessed deliverability and by the formulation, for the four-year period, of a structured budget reduction programme with agreed targets and milestones that facilitate regular monitoring and remedial actions where required. The programme will require considerable focus and action within services across the Authority and where appropriate will be supported by the Council's strategic partner, Agilisys.

The Council also has a structured process for assessing the risk and robustness of the budget, and for assessing the adequacy of working balances and reserves. This is particularly important when we are facing demographic pressures and having to respond to external influences outside our direct control such as the current economic recession.

The major risks affecting the 2011/12 Budget, as assessed in February 2011 were:

<ul style="list-style-type: none"><li>• Savings – the Budget assumes achievement of an unprecedented level of savings and this therefore presents a significant risk. The budget strategy has mitigated this risk by selecting savings proposals for 2011/12 with a high degree of assessed deliverability and by the formulation, for the four-year period, of a structured budget reduction programme with agreed targets and milestones that facilitate regular monitoring and remedial actions where required. Despite this mitigation, the Savings risk remains significant.</li></ul>
<ul style="list-style-type: none"><li>• Ongoing budget shortfalls within the base budget, for example care in the community, looked after children and income shortfalls</li></ul>
<ul style="list-style-type: none"><li>• Continued uncertainty regarding the Council's investment in Landsbanki</li></ul>
<ul style="list-style-type: none"><li>• Residential and Nursing Home care fees arbitration case</li></ul>
<ul style="list-style-type: none"><li>• Issues arising from interpretation of "ordinary residence" regulations relating to the provision of care support</li></ul>
<ul style="list-style-type: none"><li>• Adverse weather conditions</li></ul>
<ul style="list-style-type: none"><li>• Adverse impacts of funding restrictions elsewhere in the public sector and legislative changes, e.g. in benefit entitlement</li></ul>
<ul style="list-style-type: none"><li>• Possible planning costs associated with major developments and other litigation claims</li></ul>
<ul style="list-style-type: none"><li>• Unforeseen Health and Safety requirements</li></ul>

## **Impact on Service Users and Communities**

With such a high level of required budget saving, it is inevitable that service users and communities will be impacted by changes in provision. Such risks would be exacerbated by proposals being implemented without proper planning or co-ordination.

Accepting that the Council continues to have significant duties and responsibilities including the safeguarding of vulnerable children and adults, road safety, waste disposal and community safety, the Council's budget strategy seeks, wherever possible, to minimise the impact on users and communities by identifying savings that achieve greater efficiency or by leading a process of service redesign that target services to those who are most in need, and by supporting users and communities to self-serve or self-support.

The use of the six organisational themes outlined in Section 4 and Appendix 2 develop this approach by seeking, wherever possible, to avoid cuts in services or to minimise their adverse impact. The impact of proposals will however be carefully monitored, including receiving feedback from users and communities, and implementation plans adjusted accordingly.

## **Reputational**

It is not an understatement to say that the reputation of local government will generally rest upon its ability to implement changes successfully in such a way that avoids significant adverse impact on users and communities.

In addition to sound delivery, the Council will need to communicate well with its users and communities so that the context for the savings and service changes are understood well, with a degree of acceptance of the tough choices involved in the budget strategy. A communications plan has been in place for some time, with a series of articles in North Somerset Life and information on the Council's website. A member engagement plan has also been established to ensure that members, as community leaders, have a good understanding of the context and can advise on the choices.

## **Staff and Partners**

The Council's workforce will continue to shrink over the coming years and there is a risk that the Council will fail to retain a skilled and motivated workforce. To mitigate this the Council continues to invest in training and development for its staff, continues to promote leadership skills amongst its middle and senior managers, and continues to employ an organisational change strategy that seeks to redeploy or retrain staff as an alternative to compulsory redundancy.

There will also be pressures on contractors, as the Council seeks to freeze contract prices and re-negotiate specifications. Wider economic pressures mean that some contractors may face viability challenges. These risks will be mitigated through early engagement with contractors, enhanced strategic relationships and a mature approach to risk sharing. The appointment of a Commercial and Contracts Manager will assist the Council to strengthen its relationships with contractors.

There are also risks associated with the Council's partners, who are facing budget pressures of their own. These include the NHS, Police, Homes & Communities Agency and other funding bodies. As above, these risks are best mitigated by continued early engagement and strong partnership working including our continued joint working through the West of England and North Somerset Partnerships.