

North Somerset Council

REPORT TO THE EXECUTIVE

DATE OF MEETING: 3 FEBRUARY 2015

SUBJECT OF REPORT: 2015/16 REVENUE BUDGET AND MEDIUM TERM FINANCIAL PLAN TO 2018 UPDATE

TOWN OR PARISH: ALL

OFFICER/MEMBER PRESENTING: CLLR NIGEL ASHTON, LEADER OF THE COUNCIL, CLLR TONY LAKE, EXECUTIVE MEMBER FOR FINANCE, HR AND ASSET MANAGEMENT, & JULIE ALDERSON, INTERIM HEAD OF FINANCE AND PROPERTY

KEY DECISION: YES

RECOMMENDATIONS

The Executive is asked to:

- a. Consider the proposed alternative budget amendments as put forward at Council on 13th January 2015 and detailed at Appendix 4;
- b. Note the latest amendments to balance the 2015/16 revenue budget, as contained within the report;
- c. Approve the revenue budget for 2015/16 as detailed in Appendix 1, including the special expenses calculation as detailed in Appendix 5, and the proposal to accept the Government's offer of the Council Tax Freeze Grant for 2015/16 as contained within Section 3, and refer the budget to Council for approval;
- d. Note the level of non-earmarked reserves available to the council and the advice in Section 5 of the council's statutory Section 151 officer, regarding the level of these reserves;
- e. Confirm its consideration of any issues contained within the Equality Impact Assessment summary included at Appendix 6; and refer the individual assessments to Council for its review and comments;
- f. Approve the Council's Pay Policy for 2015/16 as highlighted in Section 7 and included at Appendix 7, and refer on to Council for approval;
- g. Note the revised funding gap of £4.900m for the period 2016 – 2018;
- h. Note the latest position with regard to the West of England City Region Deal growth incentive proposal as set out in the body of the report;
- i. Note the latest position with regard to the Somerset business rate Pool as set out in the body of the report;

1. POLICY

The council's budget planning is an integral feature of its overall corporate planning, ensuring that resources are planned, aligned and managed effectively to achieve its aims and objectives.

2. INTRODUCTION

This report reflects the culmination of much detailed work and effort across our entire team of Members and Officers in meeting the financial challenge presented by the continued reduction in funding as a result of the Government's continuing deficit reduction agenda.

As highlighted in the draft Medium Term Financial Plan which was published for consultation in October 2014, the council continues to face a financial challenge that began in 2011/12 and is likely to continue for a number of years and probably beyond the term of the next government, as national austerity measures remain in place.

Challenging finances are not new to North Somerset Council. We are a low-funded and low-spending authority that has a track record of good service delivery and has successfully overcome previous budget deficits. In 2015/16 the council is projected to deliver, with the proposals contained within this report, a balanced revenue budget despite some significant service and cost pressures, and we have now reduced our cumulative budget gap in the following two years of the Medium Term Financial Plan to £4.9 million.

This has been no mean feat. We recognised some time ago that to meet the future challenges we would need to transform and reshape the council, and have embarked upon a wide-ranging transformational change programme. We also recognised that we increasingly needed to work in partnership with others, such as other local authorities, and our health, police and education colleagues and that we needed to have a more commercial approach to generate the income needed to maintain services for the vulnerable.

During the course of this year we have successfully negotiated the extension and widening of our support services contract with Agilisys which will deliver substantially increased efficiencies and savings in future years. We have also started to invest in our ICT infrastructure to enable us to capture additional efficiencies from advances in technology, and we have almost completed our Office Amalgamation Programme, which has resulted in better space utilisation, significant cost savings and brought new jobs to North Somerset.

But it is not only about delivering savings, it is also about ensuring that we continue to deliver high quality services and that we minimise and mitigate the impacts of the cuts for our community. And it is particularly about creating and seizing opportunities, and stimulating regeneration and economic development working both within North Somerset and the West of England, for the benefit of local residents and businesses.

Our budget and Medium Term Financial Plan is not just therefore about efficiency and savings, it is also about investing in our future and real ambition for North Somerset.

3. BALANCING THE REVENUE BUDGET FOR 2015/16

When we considered the budget for 2014/15 and the Medium Term Financial Plan for 2017/18 in February last year, there was a gap of £1.240m for 2014/15 and a total gap of £22.112m for the 3 years to 2017/18. In October 2014 when we presented the first version of the draft budget for 2015/16, the financial position over the next three years was as follows:

Revenue Expenditure Budgets	2015/16	2016/17	2017/18	TOTAL
October 2014 Executive	£000	£000	£000	£000
Base Budget	156,014	149,800	149,397	455,211
Inflation	2,407	4,078	3,176	9,661
Super Inflation	1,158	1,067	1,220	3,445
Demographics	2,451	1,937	1,264	5,652
City Deal Borrowing Costs	281	298	203	782
Care Act	2,763	500	0	3,263
Other Growth	1,461	696	1,942	4,099
Savings Proposals	-14,718	-7,183	-5,420	-27,321
Savings to Identify	-2,017	-1,796	-3,182	-6,995
Projected Base Budget	149,800	149,397	148,600	447,797
Revenue Budget Funding				
Government Grant Funding	26,606	21,225	17,132	64,963
New Homes Bonus Grant	5,135	6,072	6,000	17,207
Council Tax Income	86,044	86,912	87,954	260,910
Business Rates Income	29,459	31,685	33,059	94,203
Collection Fund Surplus / (Deficit) - Council Tax	675	675	675	2,025
Collection Fund Surplus / (Deficit) - Business Rates	0	0	0	0
Council Tax Increase / Council Tax Freeze Grant	1,881	2,828	3,780	8,489
Contributions to / from Reserves	0	0	0	0
Projected Financing Resources	149,800	149,397	148,600	447,797

As detailed in the table above, the draft MTFP which was considered in October suggested that despite having made significant progress, an additional £6.995m of savings or additional income would be required to be identified in order to balance the budget over the medium term.

However, since that time update reports have been presented to Members in December and January, both of which advised on the progress having been made to reduce the budget gap.

Budget Gap	2015/16	2016/17	2017/18	TOTAL
	£000	£000	£000	£000
Budget gap – October 2014	2,017	1,796	3,182	6,995
Budget gap – December 2014	1,536	1,475	2,660	5,671
Budget gap – January 2015	1,100	1,484	2,701	5,285

Update since January position

Clearly this summary shows that a budget gap still remained and that further work was required in order to present a balanced budget for the 2015/16 financial year. Given this position, a number of further savings proposals and amendments are proposed within this report for consideration by Members. The summary of these changes is as follows:

Revenue Expenditure Budget Changes	2015/16	2016/17	2017/18	TOTAL
January to February 2015	£000	£000	£000	£000
Budget gap – January 2015	1,100	1,484	2,701	5,285
2014-TP-023 Further procurement savings	-100	0	0	-100
2014-CORP-007 Reduction in staffing costs	-150	-50	0	-200
2014-CORP-006 Reduction in management costs	-350	-550	0	-900
2014-ASH-G12 Re-phase deferred payment costs	-210	210	0	0
2014-TP-039 Re-phase service savings	77	-82	7	2
2014-TP-043 Additional savings for transferred services	-2	-38	-22	-62
2013-D&E-G19 Increase in highways investment	100	0	0	100
2014-CSD-G15 Internal transformation capacity	189	11	15	215
2014-CSD-G16 Contract superannuation adjustment	135	0	0	135
2014-CORP-G6 Increase in borrowing costs	0	100	180	280
Use of Reserve – realise underspend in 2014/15	-500	500	0	0
Use of EM Reserves – internal transformation	-189	-11	-15	-215
Increase in Business Rate income	-100	0	0	-100
Increase in collection fund surplus	-460	460	0	460
Remove 2013-FSSG-005 (now within collection fund)	460	0	0	0
Proposed budget movements	-1,100	550	165	-385
Budget gap – February 2015	0	2,034	2,866	4,900

Key Strategies used to close the budget gap

- **Reduction in management costs and transformation programme support**

It is acknowledged that the number and cost of management posts in North Somerset is already low in comparison with other local authorities. However, given the need to achieve further savings to help close our budget gap, and to reflect changes in the profile of the council's non-school workforce, the Corporate Management Team have agreed to identify areas where there may be opportunities to further reduce management costs, particularly focussing on areas where there are opportunities to consolidate functions and establish council-wide solutions in support of the council's target operating model.

It is also becoming increasingly clear that additional capacity and more dedicated resources are required to deliver the scale of transformation needed to respond to financial challenges we continue to face and to improve our overall financial resilience. The transformation programme is expected to deliver savings of £12m by 2018 and additional resources are required to progress a number of transformation projects so that the anticipated level of savings and changes to ways of working can be achieved.

The Employment Committee agreed a series of recommendations to give effect to these proposals at their meeting on 15 January. There is therefore an opportunity to reduce management capacity (£350k saving in 2015/16, rising by a further £550k in future years). Some of this capacity, however, will be redeployed into our transformation agenda (£189k additional cost in 2015/16, funded from use of earmarked transformation reserves).

- **Review of staffing costs**

We continue to actively explore all areas where it may be possible to reduce the current cost of employment, aimed at minimising job losses. As part of this work we have undertaken research and benchmarking into the enhanced rates of pay paid for evening, weekend and bank holiday working paid by other local authorities. This comparison has revealed that the enhanced rate of pay paid in about two-thirds of local authorities is less than the amounts currently paid by North Somerset Council. It is, therefore, considered reasonable that we reduce the level of enhanced rates of pay paid to North Somerset Council staff in line with other councils if we are to minimise the need for additional job losses and help to close our budget gap, particularly as working practices have changed considerably in recent years.

Broadly, the proposal is to cease making additional payments for hours worked Monday to Saturday (additional hours worked will continue to be paid at the standard hourly rate for the job role) and continue to provide an enhanced level of pay for hours worked on Sunday and Bank Holiday, albeit at a reduced rate. This proposal is estimated to save about £200,000 a year when fully implemented. One-off compensation arrangements will need to be agreed with staff and trade unions to reflect the financial impact on individuals.

- **Procurement Savings**

We are creating a shared procurement team in partnership with South Gloucestershire Council and will be redoubling our efforts to make further procurement efficiencies, particularly with respect to general goods and services, so have increased our procurement savings target in this respect by £100k to £200k. This is in addition to the significant commissioning and procurement savings already being made and targeted by directorates.

- **Use of 2014/15 budget monitoring underspend**

In readiness for the considerable additional savings to be achieved in 2015/16 we have encouraged directorates to underspend where possible, without impacting on front-line service delivery, and as a result have seen an increased underspend being reported in our Month 9 Budget Monitor. Given the scale of other savings already built into the proposed revenue budget it is recommended that we utilise £500k of 2014/15 underspend to smooth the impact of the funding reduction. Whilst this is one-off and does not fill the gap for the subsequent years, it is considered reasonable given the substantial progress that has already been made with our transformation programme to find the permanent solution to addressing the gap when we produce the 2016/17 budget and MTFP for future years.

Latest Summary position

Taking the above issues into account, not only is a balanced budget for 2015/16 being presented for consideration, the overall budget shortfall over the medium term has been reduced even further. The latest summary position over the three-year period is as follows:

Proposed Revenue Expenditure Budgets	2015/16	2016/17	2017/18	TOTAL
February 2015	£000	£000	£000	£000
Base Budget	156,016	151,461	150,399	457,676
Inflation	2,380	4,078	3,176	9,634
Super Inflation	1,236	1,067	1,220	3,523
Demographics	2,451	1,937	1,264	5,652
City Deal Borrowing Costs(net)	212	257	0	469
Care Act	2,207	710	0	2,917
Other Growth	2,278	848	2,340	5,466
Savings Proposals	-15,319	-7,925	-5,996	-29,239
Savings to Identify	0	-2,034	-2,866	-4,900
Projected Base Budget	151,461	150,399	149,537	451,398
Revenue Budget Funding				
Government Grant Funding	27,503	21,225	17,132	65,860
New Homes Bonus Grant	5,437	6,409	6,248	18,094
Council Tax Income	86,195	87,062	88,104	261,362
Business Rates Income	28,435	31,785	33,159	93,379
Collection Fund Surplus / (Deficit) - Council Tax	438	675	675	1,788
Collection Fund Surplus / (Deficit) - Business Rates	679	0	0	679
Council Tax Increase / Council Tax Freeze Grant	1,895	2,853	3,814	8,562
Somerset Business Rates Pool	190	190	190	570
Use of General Reserves	500	-500	0	0
Use of Earmarked Reserves	189	200	215	604
Proposed financing resources	151,461	150,399	149,537	451,398

Appendix 1 shows the above summary by directorate, and Appendices 2 and 3 detail the individual growth and savings items included within this draft budget.

Of particular note are the rising levels of business rates income due, in the main, to projected business growth, and now being enhanced by the Somerset Business Rates Pool. Council Tax income is budgeted to rise despite the proposal to take the freeze grant and have no council tax increase, and this is due to the anticipated growth in housing numbers, which is also reflected in the rising New Homes Bonus grant.

Also of note is the fact that the budget includes some £15.319m of savings in 2015/16 with a cumulative total of £29.239m over the 3 year life of the MTFP (and potentially a further £4.900m still to find in years 2 and 3). The scale of these savings does pose a real challenge for the council, and is reflected in the S151 Officer's risk assessments discussed in Section 5 of this report.

4. ADDITIONAL BUDGET COMMENTARY

In finalising the balanced budget proposals contained within this report (and the previous reports), the following factors have been taken into account:

- **Council Tax and Council Tax Freeze Grant**

Despite the challenges posed by reduced government funding, the Executive is firmly against increasing Council Tax for residents and are therefore proposing to accept the Government's offer of Council Tax Freeze Grant equivalent to a 1% council tax increase. It is anticipated that this Freeze Grant will be built into the base budgets in future years, although there is of course always the risk that future governments may change existing funding arrangements. The limit above which the council would have to hold a referendum is set again at 2% however, the Executive do not believe it would be in the best interests of the community to incur the additional expenses of holding a referendum for any sums above this level. An extra 1% increase in council tax would be worth an additional £854k.

- **Business Rates Pooling**

Our work to stimulate the economy and encourage business growth is already showing good results with business rates income growing, and in addition the council is also reaping the benefits of its participation in two Business Rates Pooling arrangements.

Firstly, the West of England City-Region Deal allows the participating councils to retain 100% of the business rates growth in the five Enterprise Areas nominated by the members. Up to £500m of the additional business rates retained is being placed in the WoE Economic Development Fund (EDF), which will fund a range of economic development and regeneration projects across the region. The projects will be forward-funded with the associated borrowing costs initially borne by the relevant council and subsequently reimbursed by the EDF when its cash-flows permit. Members will be aware that the first projects approved by the EDF under this arrangement are the North Somerset Enterprise and Technology College which is a science, technology, engineering and maths related Free School for 14-19 year olds and which is due to be fully complete by July 2016; and also a significant infrastructure project known as the North / South Link which opens access to the Locking Parklands enterprise area leading the way for future regeneration.

Members will also be aware that delegated authority was approved to pursue the participation in a business rate pooling arrangement with other Somerset authorities for 2015/16, and to submit an application to the government. It was proposed that this arrangement would pool all of the remainder of our business rate income, outside of the defined Enterprise Area, with other councils. As well as North Somerset, the proposed pool includes Somerset County Council, Bath and North East Somerset Council, Mendip, Sedgemoor and South Somerset District Councils and Taunton Deane Borough Council. We have now received notification to advise that the Secretary of State has granted the scheme for next year, which will see up to £2m of business rates retained locally to be shared between the member councils and used to encourage further growth in the local economy. The anticipated benefits arising from both of these pools have been built into our budget and MTFP proposals.

- **Economic Development and Regeneration**

Economic development continues to be a council priority. In addition to our proactive engagement with the WoE and City-Region Deal, the council has a glowing track record of delivering in transport infrastructure, most notably J21 and Weston Package schemes which were delivered on time and under budget. Further investment will follow on the South Bristol Link and Ashton Vale to Temple Meads projects.

We are strengthening our sector approach to support businesses across North Somerset, and looking to expand the use of Local Development Orders. We are also refocusing on strengthening our town centres. There is a significant opportunity for a fresh approach to Weston Town Centre, based on Learning, Leisure and Lifestyle. The proposal for a university centre at the Winter Gardens will give the new strategy a real kick-start, and the council will want to ensure that it can invest in other elements of the strategy, including facilitating or leading investment in housing, leisure and other commercial opportunities. We have therefore proposed increasing the strategic investment earmarked reserve by £0.5m to give us additional capacity to fund the work required to mobilise on key opportunities. This is in addition to the £1.275m already in the reserve.

- **Capital Programme and Borrowing**

A separate report to this Executive meeting covers the Capital Programme and Treasury Management Strategy. Of particular note is the Executive's proposal to increase capital expenditure on highways by £1.5m per year, which will be funded from borrowing. A recent analysis demonstrates that this additional investment will not only halt the deterioration in the roads, but also begin to make improvements to the road network.

However, whilst the extra £4.5m has been determined to be affordable within the context of the current budget proposals, the Executive would like to be more ambitious and see this investment continue beyond the period of the MTFP, and extend it for a period of 5 years, i.e a commitment to provide investment to 2019/20. This issue continues to be seen as an extremely high priority and the highways investment strategy will continue to be reviewed to ensure that the investment over this period provides the optimum balance between capital and revenue resources.

The Executive have also reinstated an additional £100k of revenue spend for highways repairs that had been proposed to be cut in an earlier draft of the budget.

- **Transformation Programme**

Members will be aware that the council's Transformation Programme is a blueprint which outlines the core principle of working as 'one council' and maps out new ways of working to both support our target operating model and also deliver financial savings, largely by ensuring that we are working as efficiently as possible whilst still providing our core services and achieving our ambitious priorities.

The transformation programme is really picking up steam and has identified budget savings of £12m across many areas of the council. Specific themes of the Programme include; internal Support Service reviews; development of a Commercial Strategy; increase in income generation thereby reducing reliance on government funding; the transfer of additional services into the existing Support Services contract, and also the extension of this contract; and also a series of wider transformation opportunities centred around the ICT infrastructure and Digital technology.

Support Services Contract

Council agreed in October 2014 to a renegotiation of the existing support services contract with Agilisys as a way to achieve further financial savings. The report recommended the transfer and transformation of business support, front office and business systems administration functions into the Contract; a respecification of existing services within the Contract as well as an extension to the length of the contract.

A huge amount of work has been carried out to deliver on this decision, and at the time of writing we are within days of reaching final agreement and signing the contract with Agilisys.

With some minor variations, the target savings from the renegotiation and transfer and transform elements outlined in the October council report have been achieved and are reflected within this latest proposed budget and MTFP.

Wider Transformation Investment

In addition the council also committed itself to commission a medium term wider-transformation investment programme which looks to embed technology within our service delivery offer to customers. An ambitious ICT transformation which is costing £1.45m is currently underway and further digital and technological projects are likely to be commissioned from Agilisys shortly, subject to the approval of detailed business cases. Members will be aware that the October Council report approved this programme of wider transformation, noting that it would require investment of £3.1m. The month 9 budget monitoring report, considered elsewhere on the agenda, confirms that these resources have been identified and set-aside in an earmarked reserve. Further work is now required to scrutinise and conclude upon the viability of each proposal within the programme before they are approved and progressed.

The report identified that savings of up to £2.2m per annum could be realised from such investment and a proportion of this has been built into the revenue budget for next year, and the MTFP to 2017/18. Taking this work forward will be one of the key strands of activity for starting to address the remaining revenue gap within the MTFP for 2016/17 to 2017/18 and future years.

- **Contingencies**

Budgeting and medium term financial planning is not an exact science, and all estimates are subject to some variation and risk. Consequently sound financial planning requires the use of contingencies within budgets which can act as a buffer against rising demand pressures or unforeseen events.

Appropriate levels of contingency have been factored into the revenue budget and MTFP in accordance with planned measures approved in February 2014. Although this action sees the headline contingency line reducing from £2.896m to £1.809m for next year, this is reflective of the reduced requirement for 'transition' elements within the base budget, and is also supported by the council's decision to set aside specific resources to fund transformation and transition costs that were previously covered by this line item. The S151 officer advises that she is content with the level of contingencies built into this latest version of the budget/MTFP proposals.

- **Earmarked Reserves**

As previously discussed, the council has been prudent in its financial planning and has set aside additional resources within earmarked reserves which will be used for a variety of purposes, for example; to cover legal or statutory obligations, specific service related risk areas or to finance key council priorities and projects. This approach not only

supports a balanced budget but also ensures a more robust financial strategy which reduces risk from within the ongoing revenue budget and also ensures that the council identifies and plans ahead for its key investment requirements by aligning reducing levels of resources to the most appropriate and beneficial priorities.

The table below provides a high level summary of the council's earmarked revenue reserves and shows the anticipated balances at the end of the financial year.

Earmarked Reserves 2014/15	Balance 1/4/2014 £000	Use of Reserves £000	Released / Returned £000	Contbn to Reserves £000	Transfers £000	TOTAL £000
People & Community	8,462	-1,008	-933	290	-2,250	4,561
Dev & Environment	4,718	-772	-121	503	-500	3,827
Corporate Services	3,048	-1,177	-186	209	0	1,894
Council-wide	8,982	-2,343	-1,297	4,349	2,750	12,440
Total	25,210	-5,300	-2,538	5,350	0	22,723

One part of the council's strategy with regard to earmarked reserves has been to review and streamline the volumes of smaller specific reserves which may have been held for some time, with a view to identifying resources which can be transferred and utilised as funding for more relevant and strategic priorities. It can be seen that during 2014/15 the council plans to;

- o utilise £5.300m of reserves during the current year funding a series of planned expenditure programmes and one-off projects
- o release £2.538m back into the revenue budget for re-prioritisation
- o set-aside new resources of £5.350m to cover future budget risks; enable investment in wider transformation activities and provide the opportunity to take advantage of potential commercial or income generation schemes should they arise
- o transfer £2.75m of resources between existing reserves to reflect the council's revised priorities

• Other Precepting Bodies and Overall Estimated Council Tax charge

As part of its statutory duties, the council collects precepts on behalf of Avon & Somerset Police and Crime Commissioner, the Avon Fire Authority, and the Town and Parish Councils of North Somerset. These precepts, the setting of which is outside the control of the council, form a part of the overall Council Tax bill. In 2014/15, the average Band D property in North Somerset was charged at £1,453.32. The bill was made up of the following elements:

Precepting Authority	£
North Somerset Council	1,164.84
Police and Crime Commissioner for Avon & Somerset	171.37
Avon Fire & Rescue	65.30
Average Town and Parish Council	51.81
Total	1,453.32

The council has written to advise the various precepting bodies of the relevant tax base values for their areas in respect of next year and also the budget approval timetable. It is anticipated that this information will be received in readiness for the inclusion within the February council tax setting report, although due to the tight timescales an interim position may initially be submitted, and a revised schedule presented at the meeting itself.

- **Special Expenses**

Attached at Appendix 5 are the special expense estimates for 2015/16. Special expense charges take account of functions carried out by parishes, but undertaken by the District council in Town areas. To ensure that 'parish' taxpayers do not suffer 'double taxation', the costs of the functions are removed from the overall council budget and then allocated to the specific town areas.

- **Alternative Budgets**

The Executive are grateful that the Opposition Parties recognise the difficult challenge faced by the Executive and the progress that has been made. And it is good to see the shared aspirations for regeneration and it is therefore hoped that they will support the proposal to add a further £0.5m to earmarked reserves set aside to fund work on initiatives to drive and stimulate economic development, and also to invest a further £1.5m per annum over the next 5 years to arrest the decline and start to improve our roads, as well as the bid for Challenge Funding to replace some of our older street lighting (the bid is the subject of a separate report on this meeting's agenda).

5. COMMENTS OF THE HEAD OF FINANCE AND PROPERTY (S151 OFFICER)
ON THE ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

The Local Government Act 2003 requires me as statutory S151 Officer to report to Council on the robustness of estimates and adequacy of reserves.

General Non-Earmarked Reserves

The current projection for the council's general non-earmarked reserves is set out in the table below:

General Revenue Reserves	£000	£000
Balance b/fwd 1 April 2014		9,612
Approved Use of Reserves in 2014/15;		
- To support capital programme (Exec Feb 14)	-540	
- To finance NNDR Collection Fund Deficit (Exec June 14)	-920	
Other Proposed Movements within Reserves in 2014/15;		
- Projected Net Transfer from the council's revenue budgets (Month 9)	352	
Projected balance c/fwd 31 March 2015		8,504
Approved Use of Reserves in 2015/16;		
- To support revenue budget 2015/16	-500	
Projected balance c/fwd 31 March 2016		8,004

The summary demonstrates that after allowing for the known funding requirements, the projected level of general reserves at the end of the current financial year would potentially be £8.504m at the end of March 2015, and would therefore remain higher than the £8m level deemed prudent by the council's S151 Officer.

The Month 9 budget monitoring report considered elsewhere on the agenda, reflects an improvement in the financial performance for the current year, which will increase the balance held in the council's general revenue reserve. It is therefore proposed these surplus funds should be released and used as funding towards the 2015/16 revenue budget

in an effort to smooth the impact of the financial challenges faced as a result of the anticipated reduction in funding levels projected by the council.

The Section 151 Officer's advice on the robustness of the revenue budget estimates and the adequacy of reserves is informed by individual assessments undertaken and signed by each Director (which are available as background papers).

The advice is set out below:

a) That Members can be assured that the budget process was sufficiently **robust**. In informing this advice, the following has been taken into account:

- The ongoing budget process has successfully engaged all Members, Directorates and services as well as finance officers; all deadlines have been successfully achieved, and there has been regular review of projections;
- The financial planning principles and budget strategy adopted by the Executive continue to provide clear direction and guidance to the budget process;
- Proposed budget changes have been informed by council priorities, underlying spending profiles, potential efficiency improvements and volume and price considerations. Highly volatile and greater cost items (e.g. care in the community, looked after children, economic pressures) were reviewed in detail at more than one stage of the process;
- The budget has been managed pro-actively, with significant mitigating action having taken place where required. The table above takes into account the current anticipated variances at year-end, and contributes towards the planned investment.
- All reserves have been reviewed and changes made to reflect continuing need. In particular, earmarked reserves have been retained or created to cover specific future plans such as pump-priming a range of regeneration and economic development initiatives, and to fund the transformation programme and any associated severance costs.

b) That, notwithstanding the robustness of the budget process, a number of risks and uncertainties remain. **Having considered the risks to which the council's budget is exposed, the Section 151 Officer's advice is that the council should maintain a prudent level of General Fund non-earmarked revenue reserves (excluding schools) of £8m.** This follows consideration of the key risks outlined in c. below, together with the movements contained within the draft budget in respect of both growth and savings. Therefore, at the time of writing, the level of balances is at least adequate, and provides the council with the opportunity to consider the options that this presents.

c) The key risks considered to be affecting the budget are:

KEY FINANCIAL RISKS FOR INCLUSION IN 2015/16 BUDGET PAPERS

- Government funding, future years reductions both known and unknown, and also the cumulative effect of the ongoing Budget Reduction programme

- Savings – the Budget assumes achievement of significant savings and this therefore presents a risk. However, implementation plans are well-advanced within directorates and services, and timely decisions are expected
- Short-term deferral of savings proposals within the current MTFP as options which have the ability to deliver greater and more sustainable long term savings are explored within the broader Transformation Programme
- Scale of transformation change being delivered within the council within a short space of time and the associated capacity impacts on staff. However, additional short-term resource proposals are reflected within the budget to mitigate elements of this risk
- Cost pressures relating to looked after children, although this pressure has partly been mitigated by the inclusion of £650k of growth within the budget for next year
- Cost and demand pressures arising as a result of legislative changes, e.g. Care Act; changes in employer rates for National Insurance in 2016 (which could equate to growth of 2% on the pay budget)
- Income shortfalls, notably in services such as building control, car parks, highways and concessions
- Fair Price for Care and other potential legal challenges associated with Adult Social Care
- Welfare Reform, and changes to Council Tax support, and potential for wider impact on other services
- Finalisation of forecasting information with regards to business rates growth and regeneration, and the confirmation of the accounting treatment of the Pooling agreements which have yet to be signed
- Lack of capital resources and investment within the existing asset base such as buildings (schools and leisure facilities), highways and other infrastructure. However, the council is actively looking at other affordable funding streams to mitigate implications wherever possible
- Adverse impacts of funding restrictions and reorganisation elsewhere in the public sector, e.g Health
- Financial sustainability of contractors and partners
- Effect of economic situation on Avon Pension Fund performance, investment returns, and long-term borrowing rates
- Legislative requirements resulting in potential additional costs or service pressures, e.g. Serious Crimes Bill, CSE etc
- The volatility of waste tonnages
- Adverse weather conditions
- Unforeseen Health and Safety requirements

The Section 151 Officer's conclusion is that the proposed Budget is sufficiently robust and, through a combination of contingencies and balances, provides adequate protection against the risks listed above.

Clearly, the improved in year budget position, means that the level of expected reserves which could be held against the risk assessment will be retained at the minimum level of £8m. Indeed, it is anticipated that the 2014/15 underspend is likely to grow and, although

not a formal proposal at this stage, the S151 Officer would recommend that Members give serious consideration if that is the case to increasing the level of the general reserve as further mitigation against the cumulative impact of the risks described.

Members should note that the cumulative impact of the risks is very significant and if the council were to experience a number of the adverse impacts listed, the contingency would be likely to prove inadequate, and extensive in-year mitigation and containment measures would be needed in order to avoid a rundown of non-earmarked reserves. Council members and senior officers should therefore be aware of the need for continued tight control of the Budget, particularly with respect to the effects of further budget reductions that will be required in, at least, the medium term.

6. CONSULTATION

This report has been developed through consultation with Executive Members and the Corporate Management Team. Following consideration and approval of the draft Medium Term Financial Plan in October 2014, the document was made available for public comment via the council's website, and was highlighted within various editions of North Somerset Life. In addition, the local business community and key partners were invited to comment on the approach and detailed proposals contained within.

Within the Council, the Medium Term Financial Plan has continued to be considered by its Policy and Scrutiny Panels, and further budget updates to both Executive and Council meetings since October 2014.

As part of the process, Members were invited to present budget amendments, and those received are detailed in Appendix 4 to this report.

7. STAFFING ISSUES

The council understands the importance of ensuring good two-way communications and engagement with staff, especially during a period of major change.

Given the scale of the council's financial challenge it is inevitable that a number of the budget reduction proposals have staffing implications and it is anticipated that the council's non-school workforce will further reduce over the period of the current Medium-Term Financial Plan, including as a consequence of transferring services to other organisations.

We are, of course, committed to do all that we reasonably can to mitigate the need for job losses, including, if possible, through redeployment and retraining. Staff and trade unions will continue to be fully informed and consulted over any budget proposals involving a workforce reduction.

Council last updated and approved its Pay Policy Statement in February 2014 which provided details of the pay policies in place for the council's non-school workforce. No changes to the policy are planned for 2015/16 and it is therefore proposed to adopt the current policy for the next financial year, subject to any changes being imposed at a national level. The Pay Policy Statement is attached at Appendix 7.

8. FINANCIAL IMPLICATIONS

Financial implications are dealt with throughout the body of this report.

9. EQUALITY IMPLICATIONS

Budget proposals have been analysed by officers for any equality implications and a summary of this process, together with the individual Equality Impact Assessments and any specific implications are reported within Appendix 6. The EIAs have been subject to consultation with discussions taking place with a wide range of stakeholder groups to ensure all risks are identified and understood. It should be noted that delays in this process could impact upon the delivery timescales of associated savings proposals, although it is proposed that any financial implications would be covered by the council's contingency budget in the short-term.

Members are reminded of the need to familiarise themselves with the content of the individual EIAs as well as the report on the cumulative effect of the overall budget proposals as these documents contain important information to help Members discharge their equality duties.

10. CORPORATE IMPLICATIONS

The relationship between the budget process and corporate plan has to be integral if the council is to achieve successful service and financial outcomes for the community. This budget and MTFP period represents the most significant financial challenge in the council's history and the scale of savings and transformational change is having and will continue to have significant consequences for the design and organisation of services across all directorates.

11. RISK MANAGEMENT

The scale of budget savings faced by the council is unprecedented and significant, with the inevitable consequence that making the required level of savings involves a degree of risk.

The council's budget strategy, however seeks to mitigate the level of risk to an acceptable level. The main risks associated with the budget and medium term financial plan are listed below, together with a description of the key mitigating actions. Further, as detailed in the report, the council holds a level of one off non earmarked reserves which can be called upon should the budget position require in year support.

There will also be pressures on contractors, as the council seeks to challenge 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.

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.

All risks will continue to be monitored and actively managed and mitigated. As part of our regular performance management and monitoring process, a Strategic Risk Register is regularly reviewed and updated by the Corporate Management Team. This will be

developed further by CMT prior to presentation to the Executive and Audit Committee in due course.

12. OPTIONS CONSIDERED

The Corporate Plan outlines the proposed aims and priorities for the council and its community. All budget proposals take account of those priorities in highlighting how the financial challenge can be tackled. Where received, the comments of individual Scrutiny Panels as well as residents and businesses, have been taken into account in considering and formulating this final budget proposal.

AUTHORS

Cllr Nigel Ashton, Leader of the Council
Cllr Tony Lake, Executive Member for HR, Asset Management and Finance

Mike Jackson, Chief Executive

Julie Alderson, Interim Head of Finance and Property
Julie.alderson@n-somerset.gov.uk, 01934 634619

BACKGROUND PAPERS

Medium Term Financial Plan to 2018 – Update Reports, Executive, 21st October 2014; 9th December 2014

Medium Term Financial Plan to 2018 – Update Report, Council, 13th January 2015

Revenue Budget 2014/15 and Budget Update for the period to 2017/18 – Executive, 4th February 2014

Treasury Management and Capital Budget for 2014/15 and 2015/16 – Executive, 4th February 2014

Directorate Risk and Robustness Statements, January 2015

APPENDICES

Appendix 1 – Directorate Budget Summary 2015/16

Appendix 2 - Schedule of Budget Growth Proposals 2015/16 – 2017/18

Appendix 3 – Schedule of Budget Savings Proposals 2015/16 – 2017/18

Appendix 4 – Budget Amendments put forward for consideration at Council 13/1/15

Appendix 5 – Special Expenses Charges 2015/16

Appendix 6 – Equality Impact Assessments

Appendix 7 – Pay Policy 2015/16

APPENDIX 1 – DIRECTORATE BUDGET SUMMARY 2015/16

Revenue Expenditure Budgets	P&C (Adults) £000	P&C (Children) £000	Corporate Services £000	Devel & Environment £000	Capital Financing £000	Non Service £000	Contingency Budget £000	Trans Prog £000	Other £000	TOTAL £000
2014/15 Adj Budget	63,561	23,744	18,821	30,761	14,597	1,634	2,896	0	0	156,016
Inflation	970	426	439	455	81	9	0	0	0	2,380
Super Inflation	832	0	150	254	0	0	0	0	0	1,236
Demographic Growth	1,770	650	0	31	0	0	0	0	0	2,451
City Deal Borrowing Costs	0	0	0	0	212	0	0	0	0	212
Care Act Growth	2,207	0	0	0	0	0	0	0	0	2,207
Other Growth	0	508	629	350	110	681	0	0	0	2,278
Virements	-3,871	-2,543	2,703	-883	-13	-624	-87	4,668	650	0
Savings	-6,172	-672	-1,035	-1,091	0	-31	-1,000	-4,668	-650	-15,319
2015/16 Base Budget	59,297	22,113	21,707	29,878	14,987	1,668	1,809	0	0	151,461

This schedule reflects the budget virement in respect of transferring additional services into the support services contract

APPENDIX 2 – SCHEDULE OF BUDGET GROWTH PROPOSALS 2015/16 – 2017/18

MTFP Growth Ref	Service Area	Further Details of Budget Amendment	Financial Impact		
			2015/16 £000	2016/17 £000	2017/18 £000
Growth Proposals - People & Communities (Adult Social Services & Housing)					
2013-ASSH-G1	Adult Social Services	Super-inflation of approx 3.2% for domiciliary care providers.	182	185	0
2013-ASSH-G2	Adult Social Services	Super-inflation anticipated above allowance required for community care providers of residential & nursing home care.	650	675	0
2013-ASSH-G3	Adult Social Services	Demographics - Older People (65 and over)	350	350	0
2013-ASSH-G5	Adult Social Services	Demographics - Learning Disabilities (18-64)	100	100	0
2013-ASSH-G6	Adult Social Services	Demographics - Mental Ill Health (18-64)	0	0	0
2013-ASSH-G7	Adult Social Services	Transition cases - Across all client groups from Transitions Database	1,220	1,320	370
2013-ASSH-G8	Adult Social Services	Over 18's returning from residential college	100	100	0
2013-ASSH-G10	Adult Social Services	Care Reform - Early assessment & review (DCLG funded / opt 2)	445	0	0
2013-ASSH-G11	Adult Social Services	Care Reform - Assessment capacity (BCF)	412	0	0
2013-ASSH-G12	Adult Social Services	Care Reform - Deferred payment scheme (DCLG funded / opt 2)	381	210	0
2013-ASSH-G13	Adult Social Services	Care Reform - Capacity building (DCLG funded / option 2)	109	0	0
2013-ASSH-G14	Adult Social Services	Care Reform - Information campaign (DCLG funded / option 2)	55	0	0
2013-ASSH-G15	Adult Social Services	Care Reform - Harmonisation of eligibility criteria	258	500	0
2013-ASSH-G16	Adult Social Services	Care Reform - Additional Carers services	547	0	0
Sub Total re People & Communities (Adult Social Services & Housing) Growth			4,809	3,440	370
Growth Proposals - People & Communities (Children & Young Peoples Services)					
2013-CYPS-G3	Strategy & Perform	Reduction in government funding re Education Services Grant	508	0	0
2014-CYPS-G4	Childrens Social Care	Increase in costs of Looked After Children	650	0	0
Sub Total re People & Communities (Children & Young Peoples) Growth			1,158	0	0

MTFP Growth Ref	Service Area	Further Details of Budget Amendment	Financial Impact		
			2015/16 £000	2016/17 £000	2017/18 £000
2013-CSD-G5	Support Services Contract	Projected increase in volumes within contract over and above base levels, linked to economic climate and changes in council tax support scheme	0	36	0
2013-CSD-G1	Policy, Marketing & Comms	Increase in costs following the introduction of Gateway facilities at Town Hall - reflects super inflation increase in costs built into contract	14	15	0
2014-CSD-G10	Property & Asset Management	Loss of rental income receivable following the sale of managed properties to generate capital receipts	31	11	0
2013-CSD-G9	Revenues & Benefits	Reduction in council tax benefit subsidy from central govt for council tax benefit following legislative changes and introduction of CT support scheme	74	50	50
2014-CSD-G11	Revenues & Benefits	Loss of HB Admin Grant - funding top-sliced by DWP and recycled into the Single Fraud Investigation Service	130	100	0
2014-CSD-G12	Support Services Contract	Super-inflation in respect of the support services contract based on anticipated indices compared to budgeted levels and allocated resources	150	81	82
2014-CSD-G13	Support Serv Client	Increase in resources required to support proposed new arrangements	56	0	0
2014-CSD-G14	Revenues & Benefits	Loss of Welfare Provision grant income, cessation of 2-year funding stream	0	0	50
2014-CSD-G15	Transformation Programme	Increase in internal capacity required to support and achieve the realiseable benefits identified within the council's transformation programme	189	11	15
2014-CSD-G16	Support Services	Increase in contract oncosts in respect of pension contribution rates	135	0	0
Sub Total re Corporate Services Growth			779	304	197
Growth Proposals - Capital Financing & Interest Budgets					
2013-CAP-G1	Prudential Borrowing - Capital Programme	Increase in prudential borrowing costs to finance projects within the Council's proposed capital programme, assumes borrowing of £3m pa for 2014-16.	110	195	216
2013-CAP-G2	Prudential Borrowing - City Region Deal	Increase in external borrowing costs to finance £1.2m NSL & £3.7m NS ETC - per Council 23/9/14	212	557	1,029
2013-CAP-G3	-City Region Deal	Funding from City-Region Deal re £1.2m NSL & £3.7m NS ETC	0	(300)	(1,029)
2014-CAP-G4	Prudential Borrowing - Capital Programme	Increase in prudential borrowing costs to finance capital programme, assumes borrowing of £2m pa for 2016-18. Full-year impact £324k	0	41	203
2014-CAP-G5	Prudential Borrowing - Capital Programme	Increase in prudential borrowing costs to finance highways programme, assumes borrowing of £1.5m pa for 2015-18. Full-year impact £360k	0	100	180
Sub Total re Capital Financing & Interest Growth			322	593	599

MTFP Growth Ref	Service Area	Further Details of Budget Amendment	Financial Impact		
			2015/16 £000	2016/17 £000	2017/18 £000
Growth Proposals - Development & Environment					
2013-D&E-G7	Highways & Trans /Streets & O Spaces	To offset under-recovery of parking income being experienced in the current financial year	35	35	135
2013-D&E-G12	Highways Operations	To offset under-recovery of highway utility income	20	20	20
2013-D&E-G11	Highways & Trans	To offset under-recovery of concession income. Mitigation is fully reflected	10	10	10
2013-D&E-G9	Highways Operations	To offset under-recovery of highway supervision income following depletion of earmarked reserve.	10	10	10
2013-D&E-G5	Highway Operations	Anticipated street lighting contract inflation required in excess of allowance if indices remain at projected levels, will be subject to annual review to mitigate costs where possible	150	20	20
2014-D&E-G13	Development Management	Inability to increase income in accordance with corporately allocated target of 1.5% - fees are set nationally and are not changing	15	15	15
2013-D&E-G8	Community & Consumer Services	To offset under-recovery of income generated. CIPFA charging methodology requires recovery of only 'chargeable costs'. Gross costs have been reduced by 30% as part of BRP	35	35	35
2013-D&E-G6	Streets & O Spaces	Assumes 1% growth in property numbers @ c.£45 per property	31	31	31
2013-D&E-G10	Highways & Transport	Growth required to begin to address the insufficient budget for highways improvements. Includes some preventative and reactive.	200	200	200
2013-D&E-G4	Community & Consumer Services	Anticipated leisure contract inflation required in excess of allowance if indices remain at projected levels, will be subject to annual review to mitigate costs	0	15	15
2013-D&E-G3	Highway Operations	Anticipated highways contract inflation required in excess of allowance if indices remain at projected levels, will be subject to annual review to mitigate costs where possible	0	50	50
2013-D&E-G2	Streets & Open Spaces	Anticipated waste contract inflation required in excess of allowance if indices remain at projected levels, will be subject to annual review to mitigate costs where possible	30	30	30

MTFP Growth Ref	Service Area	Further Details of Budget Amendment	Financial Impact		
			2015/16 £000	2016/17 £000	2017/18 £000
Growth Proposals - Development & Environment					
2013-D&E-G1	Streets & Open Spaces	New services and new contract will reduce future costs by £11m over 7 years as landfill reduces from 63,000 tonnes in 2009/10 to 25,300 tonnes in 2012/13. However, further actual cost increases are unavoidable as landfill tax increases by £8 / tonne / annum. - Landfill tax at RPI - Green waste in excess of budget (1,000 tonnes @ £23/tonne)	11 23	11 0	11 0
2013-D&E-G14	Community & Consumer Services	Variation to the council's culture contract for the expected removal of the Winter Gardens from the contract	25	0	0
2013-D&E-G15	Community & Consumer Services	Increase inflation growth for street lighting	40	0	0
Sub Total re Development & Environment Growth			635	482	582
Growth Proposals - Non Service Budgets					
2013-CORP-G3	Council-wide	Anticipated increase in costs for demographic pressures across the Council	0	0	863
2013-CORP-G4	ICT Transformation	Corporate growth required to finance the increased costs of supporting the Council's new ICT infrastructure strategy, full-year impact	571	0	0
2013-CORP-G5	Council-wide	Estimated growth required in respect of super inflation cost pressures	0	0	1,012
2013-CORP-G7	Council-wide	Estimated growth required in respect of other cost pressures	0	0	1,201
2014-CORP-G9	Internal Drainage Boards	Increase in precept required by North Somerset Internal drainage board	41	0	0
2014-CORP-G8	City Region Deal	Adjustment to budgeted levels of business rate income in respect of the EA to align with accounting requirements of City-Region Deal	69	0	0
Sub Total re Non Service Growth			681	0	3,076
Total Growth Proposals			8,384	4,819	4,824

APPENDIX 3 – SCHEDULE OF BUDGET SAVINGS PROPOSALS 2015/16 – 2017/18

MTFP Savings Ref	Directorate	Service Area	Further Details of Budget Amendment	Financial Impact		
				2015/16 £000	2016/17 £000	2017/18 £000
Savings Proposals - People & Communities (Adult Social Services & Housing)						
2013-ASSH-002	P&C - ASSH	Adult Social Services	Increase community meals charges in line with regional benchmarking	(35)	(35)	(35)
2013-ASSH-003	P&C - ASSH	Adult Social Services	Fairer Contributions	(100)	(100)	(100)
2013-ASSH-024	P&C - ASSH	Adult Social Services	Redevelopment of Ebdon Court	(100)	0	0
2013-ASSH-034	P&C - ASSH	Housing	Access to homes and housing supply - Income	(23)	(25)	(14)
2013-ASSH-035	P&C - ASSH	Housing	Housing standards - Income	(15)	(15)	0
2013-ASSH-036	P&C - ASSH	Housing	Efficiency measures	(5)	(14)	0
2013-ASSH-038	P&C - ASSH	Housing	Workforce / commissioning reductions. Customer self service efficiencies	(5)	0	(37)
2013-FSSG-002	P&C - ASSH	Adult Social Services	Reduce demographic growth through efficiencies in commissioning	(220)	(250)	(280)
2014-ASSH-040	P&C - ASSH	Adult Social Services	Transformation through Commissioning - Reablement / START	(200)	(405)	0
2014-ASSH-041	P&C - ASSH	Adult Social Services	Transformation through Commissioning - Efficiencies / Demand Mgmt	(143)	(174)	0
2014-ASSH-042	P&C - ASSH	Adult Social Services	Transformation through Commissioning - Transitions	(132)	(232)	0
2014-ASSH-043	P&C - ASSH	Adult Social Services	Transformation through Commissioning - Vol Sector	(32)	(32)	(32)
2014-ASSH-044	P&C - ASSH	Adult Social Services	Health Transformation through Commissioning - Joint commissioning opportunities with	(1,900)	0	0
2014-ASSH-045	P&C - ASSH	Adult Social Services	Health	(1,717)	0	0
2014-ASSH-046	P&C - ASSH	Adult Social Services	Transformation through Commissioning - Care Reform grant (DCLG)	(1,545)	0	0
Sub Total re People & Communities (Adult Social Services & Housing) Savings				(6,172)	(1,282)	(498)

MTFP Savings Ref	Directorate	Service Area	Further Details of Budget Amendment	Financial Impact		
				2015/16 £000	2016/17 £000	2017/18 £000
Savings Proposals - People & Communities (Children & Young Peoples Services)						
2013-CYPS-003	P&C - CYPS	Children with disabilities	Reduce CAMHS contract	(20)	(20)	0
2013-CYPS-005	P&C - CYPS	Community Family Service	Reduce expenditure linked to the length of care proceedings	(204)	0	0
2013-CYPS-008	P&C - CYPS	Children Looked After	Review services for, and reduce the number of Children Looked After	(269)	(200)	(400)
2013-CYPS-013	P&C - CYPS	Early Years Provision	Consolidate Children's Centre management arrangements	(20)	(20)	0
2013-CYPS-014	P&C - CYPS	Early Years Provision	Charge for some services delivered to those who are not "vulnerable"	(4)	0	0
2013-CYPS-016	P&C - CYPS	Early Years Provision	End Yr 3 Graduate Leader Initiative Payments	(64)	(64)	(64)
2013-CYPS-017	P&C - CYPS	Early Years Provision	Reduce discretionary childcare funding for 0-2 year olds	(16)	(16)	0
2013-CYPS-018	P&C - CYPS	Services for teenagers	End Learning Partnership West contract, remodel and recommission services	(49)	0	0
2013-CYPS-026	P&C - CYPS	New Relationship with Schools	Review of discretionary school transport and crossing patrols	(27)	0	0
2013-CYPS-028	P&C - CYPS	Comm & Procure	Review of Strategic, Commissioning and Performance arrangements	0	(53)	(120)
Sub Total re People & Communities (Children & Young Peoples) Savings				(672)	(373)	(584)
Savings Proposals - Capital Financing & Interest Budgets						
2014-CAP-001	Cap Fin & Int	Capital Financing	Decrease in capital financing costs following repayment of current long-term borrowings	0	(191)	(183)
2014-CAP-002	Cap Fin & Int	Investment Interest	Anticipated increase in investment interest rates	0	(114)	(137)
Sub Total re Capital Financing & Interest Savings				0	(305)	(320)
Savings Proposals - Non Service Budgets						
2013-CORP-002	Non Service	Reduction in Council Tax Support Grant	Anticipated reduction in Council Tax Support Grant received by the Council within government settlement, to be passed onto town and parish councils	(31)	0	0
Sub Total re Non Service Savings				(31)	0	0
Savings Proposals - Contingency & Transition Budget						
2013-CORP-003	Contingency	Contingency	Reduction in contingency and transition budget following funding of pressures through other resources	(1,000)	0	0
Sub Total re Contingency & Transition Savings				(1,000)	0	0

MTFP Savings Ref	Directorate	Service Area	Further Details of Budget Amendment	Financial Impact		
				2015/16 £000	2016/17 £000	2017/18 £000
Savings Proposals - Development & Environment						
2013-D&E-006	D&E	Devel Mgmt & Policy	Work with external provider / OLA to provide shared specialist services	(50)	0	0
2013-D&E-013	D&E	Highway Operations	Street lighting-reduced maintenance requirement with continued capital investment	(63)	(63)	(63)
2013-D&E-017	D&E	Highway Operations	Reductions to non-core highway maintenance (signs etc) - rely on LTP funding	(88)	0	0
		Leisure & Active				
2013-D&E-020	D&E	Lifestyle Serv	Invest to save options at leisure centres	(25)	(50)	(75)
2013-D&E-037	D&E	Recycling and Waste	Treatment / reduction of street cleansing and beach waste to reduce landfill	(26)	(75)	(22)
2013-D&E-038	D&E	Recycling and Waste	Targeted increase in recycling / reduce landfill @ 1,000 tonnes pa	(86)	(94)	(98)
2014-D&E-090	D&E	Seafronts & Events	Income from Beach Huts	(20)	(20)	0
2014-D&E-091	D&E	Highways & Trans	Lease of Nailsea car park	(78)	0	0
			Parks and Streetscene contract - release of temporary resources to enhance initial mobilisation and contract management	(50)	(30)	0
2013-D&E-067	D&E	Highways & Trans				
2013-D&E-075	D&E	Highways & Trans	Concessionary Fares savings - range due to demographics, network, demand etc	(40)	(40)	(40)
2013-D&E-077	D&E	Highways & Trans	Transport Policy / Majors / WEPO	0	(44)	0
2013-D&E-078	D&E	Highways & Trans	Road safety and sustainable travel	(60)	0	0
2014-D&E-092	D&E	Streets & O Spaces	Procurement savings realised within the street lighting energy contract	0	(75)	(75)
2014-D&E-093	D&E	Highways & Trans	Supported public transport	(80)	0	0
		Community &				
2014-D&E-094	D&E	Consumer Services	Libraries - management restructure	(40)	0	0
		Community &				
2014-D&E-095	D&E	Consumer Services	VAT savings on North Area leisure contract following move to charitable trust status	(15)	0	0
		Community &				
2014-D&E-096	D&E	Consumer Services	Regulatory Services Review	(80)	0	0
2014-D&E-097	D&E	Streets & O Spaces	Release of inflation allocation on Parks and Street Scene Contract	(30)	0	0
2014-D&E-098	D&E	Streets & O Spaces	Release of inflation allocation on waste contracts	(50)	0	0
2014-D&E-099	D&E	Streets & O Spaces	Release of funding in relation to Aggregate Levy Grant which has been withdrawn	(50)	0	0
2014-D&E-100	D&E	Highway Operations	Street Works salary savings	(20)	0	0
		Community &				
2014-D&E-101	D&E	Consumer Services	Savings on South and Central Area leisure contract following move to charitable trust status	(140)	0	0
		Community &				
2014-D&E-102	D&E	Consumer Services	Review of Leisure and Library Services	0	0	(500)
Sub Total re Development & Environment Savings				(1,091)	(491)	(873)

MTFP Savings Ref	Directorate	Service Area	Further Details of Budget Amendment	Financial Impact		
				2015/16 £000	2016/17 £000	2017/18 £000
Savings Proposals - Corporate Services						
2013-CSD-004	CSD	Customer Services	Income generated by bringing further business into TH Gateway	(50)	0	0
2013-CSD-005	CSD	Customer Services	Reduce costs of Contracted Contact Centre Service through alternative methods of delivery and / or respecify scope of service - already built into contract	(7)	(6)	0
2013-CSD-006	CSD	Customer Services	Reduce costs of customer servives through alternative methods of delivery and / or respecify scope of service	0	(50)	(37)
2013-CSD-007	CSD	Land Charges & GIS	Reduce vacant posts	(10)	0	0
2013-CSD-008	CSD	Land Charges & GIS	Recharge other directorates and external bodies for agreed work	(5)	0	0
2014-CSD-075	CSD	Carbon Tax Allowance	Reduction in levy payable to the government following amendments to the Carbon Reduction Credit scheme, offset by reduction in RSG funding	(148)	0	0
2013-CSD-033	CSD	CCTV	Review of CCTV Service, including review of income, line rental costs and staffing levels	(17)	(34)	0
2013-CSD-035	CSD	Voluntary Grants	Reduction in activities provided through Voluntary Sector	(5)	(5)	(5)
2013-CSD-037	CSD	Equalities	Reduction in team operating budget	(22)	0	0
2013-CSD-038	CSD	Health & Safety	Review scope of service, functions and responsibilities to generate additional income	(22)	0	0
2013-CSD-043	CSD	Fin Management	Reduce operational supplies costs	(5)	(5)	(5)
2013-CSD-042	CSD	Internal Audit	Generate additional income by contracting with academies	0	(5)	(5)
2013-CSD-044	CSD	Corporate Finance	Review of corporate subscriptions	0	0	(35)
2013-CSD-050	CSD	Support Services	Restructure to achieve reduction in staff costs	(28)	(4)	(53)
2013-CSD-054.2	CSD	Revs, Debts & Bens	Review and streamline processes relating to recovery of debts and overpayments	(20)	25	35
2013-CSD-054.3	CSD	Revs, Debts & Bens	Increase efficiencies and collection rates for council tax and business rates	0	(25)	(35)
2013-CSD-064	CSD	Property & AM	Additional income and reduction in costs from within office estate	(448)	0	0
2013-CMT-001	Other	Members Budgets	Cost reductions arising from a reduction in the number of councillors	(67)	(6)	0
2014-CSD-070	CSD	Property & AM	Procurement savings realised within the energy contract	(125)	0	0
2014-CSD-071	CSD	Register of Electors	Remove resource identified for ongoing individual elector registration after transition	0	(13)	0
2014-CSD-072	CSD	L&D Team	Restructure within Legal & Democratic Services	0	0	(83)
2014-CSD-074	CSD	Broadband costs	Reduction in project costs following completion of joint initiative	(56)	0	0
2014-CSD-073	CSD	Registrars Office	Service re-modelling	0	(8)	0
Sub Total re Corporate Services Savings				(1,035)	(136)	(223)

MTFP Savings Ref	Directorate	Service Area	Further Details of Budget Amendment	Financial Impact		
				2015/16 £000	2016/17 £000	2017/18 £000
Savings Proposals - Transformation Programme						
2014-TP-001	Trans Prog	Income Board	Introduce charges for new refuse bins	(20)	0	0
2014-TP-002	Trans Prog	Income Board	Introduce new resident's permit scheme at HWRC's	(30)	(30)	0
2014-TP-003	Trans Prog	Income Board	Introduce a commercial waste collection service for small and medium sized busines	(25)	(25)	(25)
2014-TP-004	Trans Prog	Income Board	Increased income in highways from coring, signs, road closures and H-bars	(5)	0	0
2014-TP-005	Trans Prog	Income Board	Increased income in building control from regularisations and reopening archived files	(9)	(9)	0
2014-TP-006	Trans Prog	Income Board	Increased Licensing income from pre-application advice and charges for food export certificates	(3)	(6)	0
2014-TP-007	Trans Prog	Income Board	Increased Development Management income from pre-submission checks and bespoke reports	(3)	(3)	(3)
2014-TP-008	Trans Prog	Income Board	Developing a traded Corporate Training service	(8)	(16)	(5)
2014-TP-009	Trans Prog	Income Board	Increased children's services income from home to school transport, training and the Learning Exchange	(12)	(18)	(8)
2014-TP-010	Trans Prog	Commercial Strategy	Ongoing income generation and cost control	0	(250)	(250)
2014-TP-011	Trans Prog	Commercial Strategy	Reduction in managed property costs from asset realisation within geographical area	(75)	0	0
2014-TP-012	Trans Prog	Health Strategy and Integration	Reduce long term placements and extend enablement / reablement services	(125)	(125)	(125)
2014-TP-013	Trans Prog	Health Strategy and Integration	Expansion of Shared Lives services across client groups	(150)	(120)	(90)
2014-TP-014	Trans Prog	Health Strategy and Integration	Realignment of existing service costs falling within the public health function	(500)	(250)	(150)
2014-TP-015	Trans Prog	Health Strategy and Integration	Reduction in anticipated demand from demographic growth across all client groups	(91)	(91)	(91)
2014-TP-016	Trans Prog	Health Strategy and Integration	Reduction in anticipated demand from transition cases and over 18's returning from residential college placements	(288)	(288)	(288)
2014-TP-017	Trans Prog	Health Strategy and Integration	Review existing short break services and contracts	(200)	0	0
2014-TP-018	Trans Prog	Health Strategy and Support Services -	Integrate services for children with disabilities	0	(50)	(100)
2014-TP-019	Trans Prog	Financial Management	Review of financial management activity	(30)	(20)	(50)

MTFP Savings Ref	Directorate	Service Area	Further Details of Budget Amendment	Financial Impact		
				2015/16 £000	2016/17 £000	2017/18 £000
Savings Proposals - Transformation Programme						
2014-TP-020	Trans Prog	Support Services - HR/Payroll	Service review of HR which could result in the provision of HR assistance being available for most complex cases only, with managers resolving simpler cases.	(40)	(80)	(88)
2014-TP-021	Trans Prog	Business Intelligence	Review of communication resources across the council	(40)	0	(20)
2014-TP-023	Trans Prog	Support Services - Procurement	Procurement savings target for common goods and services	(200)	0	0
2014-TP-024	Trans Prog	Support Services - Commissioning	Further reductions in Supporting People commissioned services	(96)	(96)	(96)
2014-TP-025	Trans Prog	Support Services - Commissioning	Commissioning efficiencies within Adult Social Care	(779)	(779)	(779)
2014-TP-026	Trans Prog	Support Services - Commissioning	Continuation of outcome reviews of care packages across all client groups within Adult Social Care	(200)	(200)	(200)
2014-TP-027	Trans Prog	Support Services - Commissioning	Commissioning efficiencies associated with housing related support / Extra Care	(125)	(200)	(200)
2014-TP-028	Trans Prog	Support Services - Commissioning	Efficiency savings from joint commissioning with NHS within Adult Social Care	(100)	0	0
2014-TP-029	Trans Prog	Support Services - Commissioning	Reduce demographic growth through efficiencies in commissioning	(150)	(120)	(90)
2014-TP-030	Trans Prog	Support Services - Property & AM	Review of revenue property services provided resulting in reductions in compliance, valuation, asset management, and serviced office support services	(153)	0	0
2014-TP-031	Trans Prog	Support Services - Training & Devel	Service review of training activities to deliver transformation opportunities	(76)	0	0
2014-TP-034	Trans Prog	Support Services - Insurance	Review and reduce cost of insurance arrangements	(20)	0	0
2014-TP-035	Trans Prog	Support Services - Internal Audit	Review internal audit service, including consideration of sharing arrangements	(80)	0	0
2014-TP-036	Trans Prog	Support Services - Legal Services	Reduce of functions and services across all legal and democratic service teams	0	(75)	(74)

MTFP Savings Ref	Directorate	Service Area	Further Details of Budget Amendment	Financial Impact		
				2015/16 £000	2016/17 £000	2017/18 £000
Savings Proposals - Transformation Programme						
2014-TP-037	Trans Prog	Support Services -	CYPS	(86)	(62)	0
2014-TP-038	Trans Prog	Mgmt - Digital Media	saving within CSD Customer Services	(19)	(19)	0
2014-TP-039	Trans Prog	Democratic Services	Review various committees and panels supported by the service	(76)	0	0
2014-TP-039	Trans Prog	Support Services -	Contract Dialogue savings - respecification and alternative delivery of services to generate cost savings or increase income	(287)	(411)	(50)
2014-TP-040	Trans Prog	Contract Delivery	Contract Dialogue savings - additional savings re Phase 1 over and above savings incorporated within the 2014/15 base budget	(52)	0	0
2014-TP-041	Trans Prog	Support Services -	Contract Dialogue savings - extension period savings over and above savings incorporated within 2014/15 base budget	(114)	0	0
2014-TP-042	Trans Prog	Contract Delivery	Contract Dialogue savings - wider transformation investment savings to be achieved from services, subject to business case approval. One-off investment costs will be required.	(250)	(600)	(150)
2014-TP-043	Trans Prog	Support Services -	Contract Dialogue savings - to be delivered through the transfer of services to partners	(151)	(454)	(175)
			Sub Total re Transformation Programme Savings	(4,668)	(4,397)	(3,107)
Savings Proposals - Savings to be Allocated Across Council Budgets						
2013-FSSG-005	Council Wide		Reduce Council Tax Support (to be adjusted through the council tax base)	0	(341)	(391)
2014-CORP-005	Council Wide		Net reduction in employee costs following an equalisation of vacancy management targets across council salary budgets	(150)	0	0
2014-CORP-006	Council Wide		Identify areas where there may be opportunities to further reduce management costs, particularly focussing on areas where there are opportunities to consolidate functions and establish council-wide solutions in support of the council's target operating model	(350)	(550)	0
2014-CORP-007	Council Wide		Undertake a review to identify opportunities to reduce staffing costs in respect of pay enhancements and travel allowances	(150)	(50)	0
			Sub Total re Council Wide Savings	(650)	(941)	(391)
Total Savings Proposals				(15,319)	(7,925)	(5,996)

APPENDIX 4.1 – BUDGET AMENDMENTS PUT FORWARD FOR CONSIDERATION AT COUNCIL ON 13/1/2015

2015-16 BUDGET AND MEDIUM TERM FINANCIAL PLAN

Comments and proposals – Cllrs Tom Leimdorfer & Don Davies

Introduction

We do not underestimate the challenge faced by the Executive in responding to severe cuts in government funding of local authorities. We acknowledge the progress which has been made and the fact that the Executive has had to make difficult decisions. We particularly wish to pay tribute to our officers and all staff who have worked hard to maintain a good standard of service despite the stresses caused by extra workload, re-organisation and threat of redundancies.

We wish to re-state our view that the government has failed to consider alternatives to austerity measures, particularly with regard the deep cuts enforced on local authorities. They failed to tackle the billions lost through tax evasion and tax avoidance, they continue to oppose the financial transaction tax favoured by most EU countries, they cling to wasteful military projects such as Trident. For the first time in half a century, expenditure by Whitehall departments has now outstripped the total spent by all local authorities on services which directly benefit residents.

North Somerset Council administration of 2007-11 embarked on a programme of cuts and efficiency savings to be 'ahead of the curve' while keeping Council Tax levels (already way below the unitary and South West average) artificially low. Opposition amendments during that period would have resulted in a CT level around 3.5% above the current rate, an extra annual income of £3m. While this would go nowhere near solving the acute problems we face, it would help ease the pressure. However, we are where we are and we agree with the Executive and with local authority leaders of all parties (as expressed through the LGA) that government is failing to appreciate the risks involved in putting local government under further extreme financial pressure.

In past years we have concentrated on some amendments to try to mitigate the cuts where they affected the most vulnerable and to attempt to find extra sources of income for key services. This time, we would also wish to indicate areas for potential capital investment which would help regeneration and also future income generation.

Comments on Executive MTFP (December 2014)

Good progress has been made towards producing a balanced budget in a time of uncertainty. A comparison of projections for key factors such as inflation and demographic growth as given in the MTFP in February and December of this year shows considerable fluctuations. While there are good reasons for changes in the projections, they have an effect on the headline figure of 'required savings'. We welcome the reduction in inflation assumptions but note a sharp increase in 2016/17 inflation figure which reflects a need to balance shortfall in pensions funding. Such temporary pressures are having the effect of requiring extra service cuts with long-term implications.

Our workforce have gone through a time of considerable turmoil as a result of several years of re-organisation, significant pay cut in real terms, changes in working conditions, fear of redundancies. They have remained focused on delivering services and shielding service users as far as possible. We are dismayed to see that the most recent MTFP report signals a review of overtime and unsocial

hour payments and travel allowances. This could cancel out the recent pay increase, the first one approaching inflation after years of pay freeze. Our staff are our most valuable resource and further loss of staff morale can have major consequences. We already have a recruitment problem in several areas while paying high fees to consultants and agency staff (e.g. in social services).

For the third year running, we have a budget underspend primarily because put in too high a figure for 'contingency' plus 'transition' (ie redundancy) costs. Hence our un-earmarked reserves have been rising at a time when we are cutting services and cutting staff. For several years, we have drawn attention to 'earmarked' reserves and asking for these to be reviewed. We are pleased to see that £2.5m has now been released and hope to see a continuing review. However, we are dismayed to see the whole of this amount, together with this year's underspend set aside to into a £4.5m fund for redundancies and re-organisation costs. We are investing in privatisation and in making cuts instead of investing in services for our residents. **At the very least, the £1.8m projected underspend should be released in full for the revenue budget**, even if the £2.5m from formerly earmarked reserves is used for one-off 'transformation' programme expenditure (more than compensating for the reduction of £1m in the revenue contingency & transition budget). It should be noted that the Council's new ICT infrastructure strategy implementation is a £500K one-off growth item in the revenue budget. Hence there is every justification for using the underspend to finance items such as this and hence relieving the pressure for cuts D&E and P&C budgets.

While officers and the Executive have risen to the challenge of trying to make the jig-saw fit even though the government has removed several of the pieces, the proposed savings are from secure, as had been acknowledged by both the Leader and Directors. Drastic cuts in leisure services, library services are postponed to later years in the MTFP, but the potential loss of the specialist in-house START enablement service (ASSH 040), the further reduction of supported public transport (D&E 093) and road safety (D&E 078) budgets are some indications of the ongoing cuts. The growth item under Care Reform (ASSH G15) 'Harmonisation of eligibility criteria' shows that we have raised our threshold of eligibility for care services for elderly and disabled well above the national average and will need to use a significant part of the Better Care funding to bring us back into line.

Potential sources of extra funding

In addition to releasing the £1,8m underspend for the revenue budget, the following should be considered:

- 1 CMT 001 Reduction in number of councillors (£67K) should be matched with the reduction of one Executive Member post, abolition of Assistant Executive Member posts, reduction in scrutiny chair posts, further reduction in opposition group leader allowance, totalling further savings of around £60K.
- 2 Savings from reduced production of 'North Somerset Life', not increasing the size of the publication, around £80K.
- 3 Introduction of parking charges outside Weston, where appropriate with Civil Enforcement of Parking Contravention, which we must adopt as soon as possible. Because of the need to work with town/parish councils and consult fully, the income in 2015-16 would be limited (possibly £250K), but potential for more in future years. Given the extra investment in Highways and the need to invest in public transport, this can be fully justified and it would also benefit areas where all day parking chokes off trade.
- 4 A relatively low flat rate charge for green waste collection of £20 per household pa should be considered ahead of the re-tendering of the contract.
- 5 Punitive Council Tax on properties empty for more than two years
- 6 Income from capital investment – see separate section

Revenue Budget amendments

The sources of funding identified above could increase the income for revenue funding by just over £2m for 2015-16. The first priority will be to ensure that there are no further service cuts in order to close the remaining 'budget gap'. Our priorities for the rest of the funding are:

- 1 Ensure that North Somerset employees are paid the Living Wage
- 2 In line with government guidance, cease taking into account Child Maintenance for calculating income of single parents for Council Tax Support (around £40K)
- 3 Restore the supported public transport budget to 2014-15 levels (around £100K)
- 4 Keep funding of START/Reablement service at current levels (around £200K)
- 5 Grants for Youth Work (bid for by LCNs, around £100K)
- 6 Reduce the saving assumption on Children Looked After Service (around £200K)
- 7 Increase capacity for prudential borrowing on capital projects (around £350K)

Capital investment

The time has come to re-assess the Council's strategy for both urban and rural regeneration. Simply waiting for economic upturn and private investment will not deliver desired outcome. The need for a more interventionist approach is most clearly seen in Weston-super-Mare with the failure of private enterprise to deliver the Tropicana, Birnbeck Pier or Dolphin Square projects and the loss of vitality of the Town Centre. Partnership with Weston College is a promising development, but will not by itself bring about transformation. Social and environmental considerations, together with economic viability should drive all decisions. Potential items for consideration:

- Invest in town centre housing development. This can be in partnership with Dolphin Square developers on that site, with other partners on site adjoining Weston station, on site of old Magistrate's Court and Police Station or even above Locking Road car park. Investment would be on the basis borrowing to receive a commercial return.
- Invest in sustainable energy. The cost of PV panel installation has fallen and arrays under 5MW will still attract a good rate of 'Feed-in-Tariff' even after April 2015. Several Councils have used their buildings as well as schools and even car parks (producing popular covered areas) for solar electricity generation. The capital is borrowed at 4%, the returns are in the order of 8 to 10%, hence this can be an income generating investment.
- Invest in vitality and diversity of town and village centres via business rate discount for certain categories of small businesses.

Council Tax

North Somerset Council Tax is 6.5% below the Unitary Average, 8% below the South West Average. We know we have demographic challenges in social care as well as transport and infrastructure challenges equal to or greater than the average local authority. The level of future cuts is a matter of political debate at the forthcoming general election, but government funding of local authorities will continue to decline in real terms under any government. In 2015-16 there is no choice but to accept the 1% CT Freeze Grant, which puts our funding further behind. The new local authority Executive should signal at an early stage its intention to put income at a more sustainable level by holding a referendum for an Council Tax increase in two stages (3.5% in 2016-17 and a further 3.5% in 2017-18) in order to safeguard vital public services.

The Liberal Democrat Group Alternative Budget for North Somerset Council 2015/2016

***Delivering on the
priorities of local
people***

– Delivering on the priorities of local people -

This budget sets out some of the ways a Lib Dem-led council would have addressed the challenges faced by North Somerset.

Our headline aims are:

- Another year of council tax freeze
- Cuts to car parking charges
- Investment in road and pavement repairs
- Kickstarting regeneration in Weston-super-Mare
- Supporting families and protecting the most vulnerable
- Making our night-time economy safer and stronger

Liberal Democrat councillors welcome much of the work that the officers and the Conservative administration have done to lead the council through difficult times. In particular, the council's professional corps has continued to perform to a very high standard despite fewer resources and rising demand.

However, politics and government is about choices, and we do not believe that the Conservative administration has always made the right choices or for the right reasons. In the local elections in May, North Somerset residents will have the chance to have their say. We hope that they will elect a more balanced council with councillors of all parties and none who will deliver on the priorities of local people.

This alternative budget, much like the council budget, was produced in the very limited time the Government allows local government to consider their finances. Information about Government funding levels has been held back, altered at the last minute and shrouded in secrecy. Not a helpful backdrop. In addition, the Conservative council administration has not published their proposals in full, even at this late stage in the process. This culture makes long-term financial planning very difficult.

Taken together with the historic underfunding of North Somerset by central government and the squeeze on the public finances in recent years, it could be said that this is the best that could be made of a bad job.

Councillor Mike Bell
Leader of the Liberal Democrat Group
North Somerset Council

Liberal Democrat Group Alternative Budget for North Somerset Council 2015/2016 – the Headlines

Fix our roads + pavements

£1 million extra funds for road and pavement repairs

Regenerate Weston

£2 million funding for improvements to Weston town centre to support regeneration to bring new residents, visitors and shoppers to town

Free parking

introduce one hour free parking during the day in Weston town centre car parks + scrap parking charges after 6pm on the seafront and in the town centre

Support families

by protecting school crossing patrols from further cuts and by retaining discretionary childcare support for families in need

Protect public transport

putting £100,000 extra into supported bus services across North Somerset

A safer night-time economy

deliver an increased police presence and more community safety support to tackle antisocial behaviour after dark

Liberal Democrat Group Alternative Budget for North Somerset Council 2015/2016 – the Savings

£158,300 saved on pay saved by cutting the salaries of senior council staff – that's anyone earning more than £50,000 per year

£204,511 on councillor

costs Cut councillor allowances, introduce councillor parking charge, sack an Executive member, reduce councillor travel allowances, cut councillor special responsibility allowances, scrap pay for assistant executive members

£100,000 on magazines reduce publication of North Somerset Life to quarterly, do not increase pagination, outsource production to local media

£205,000 on consultants cut spending on consultants and agency staff by 10% to help to reduce costs

£100,000 devolving parking protect free parking in Clevedon, Nailsea and Portishead by devolving car parks to town councils – saving North Somerset on the £100,000 cost of maintenance in the process

£100,000 from late-night

levy introduce a new levy on late-night licensed premises to help promote responsible drinking and fund extra police to make our town centres safer at night

Liberal Democrat Group Alternative Budget for North Somerset Council 2015/2016

Table 1: New savings proposals from the Liberal Democrat Group

New savings proposals	Recurring funding	One-off funding	Notes
Introduce late night levy	£100,000		
Cut councillor allowances by 10%	£49,000		
Transfer car parks	£100,000		
Introduce staff + councillor car parking charges	£50,000		
Review North Somerset Life	£100,000		
Reduce Executive by 1 post	£15,511		
Reduce councillor travel allowances by 50%	£15,000		
Senior staff pay review	£158,300		
Cut councillor SRA by 25%	£50,000		
Reduce spending on consultants by 10%	£55,000		
Reduce spending on agency staff by 10%	£150,000		
No allowance for Assistant Executive Members	£25,000		
Redirect 2014/15 budget underspend		£1,800,000	
Totals	£867,811	£1,800,000	

Liberal Democrat Group Alternative Budget for North Somerset Council 2015/2016

Table 2: New spending proposals from the Liberal Democrat Group

New spending proposals	Recurring funding	One-off funding	Notes
Remove savings target on School Crossing Patrols	£27,000		
Retain discretionary childcare for under 2's	£16,000		
Additional resources for community safety team	£25,000		
Free 1 hour parking, free parking after 6pm	£145,000		
Maintain funding for supported public transport	£100,000		
Maintain funding for START / reablement service	£100,000		
Contribution to Weston Regeneration Fund		£1,800,000	
Totals	£446,000	£1,800,000	

Table 3: Capital programme amendments from the Liberal Democrat Group

New spending proposals	Recurring funding	One-off funding	Notes
Additional investment in roads and pavements		£1,000,000	
Weston Regeneration Fund		£2,000,000	
Transfer from Strategic Investment Reserve		-£1,000,000	
Transfer from non-earmarked reserves		-£200,000	
Maintain funding for START / reablement service	£100,000		

APPENDIX 4.3 – BUDGET AMENDMENTS PUT FORWARD FOR CONSIDERATION AT COUNCIL ON 13/1/2015

NORTH SOMERSET LABOUR GROUP

ALTERNATIVE BUDGET PROPOSALS NORTH SOMERSET COUNCIL 2015-16

In the light of continued deep funding cuts to the Authority's local revenue grant by the Conservative and Liberal Democrat Coalition Government, we have sought to constructively seek savings to the current Council budget, or divert resources, with the aim of protecting front line services and meeting residents' priorities.

We welcome that some of our suggestions were taken up by the Council's ruling Group in past years and that councillors of all political colours can work meaningfully towards making a positive difference for our local communities against the extremely difficult national funding background.

We have endeavoured to be consistent with our proposals and repeat and update some policies and ideas published from our last year's budget submission, in the hope that again some more of these will be taken up over time. Other relevant suggestions along similar themes have been added.

As in past budget cycles we have produced a balanced and approved finance spreadsheet analysis, signed-off by the Section 151 Officer, to accompany our submission. As pointed out by other Groups, the very limited time allowed this year, along with late budget information upon which to base consideration, has not made this easy in time for the January Council meeting.

Cllr Richard Tucker, Labour Group Leader
Cllr Catherine Gibbons, Deputy Leader
Cllr Ian Parker
Cllr Bob Bateman
Cllr James Clayton

SUMMARY

Protect Social Services and Education Budgets

(£600,000 from reserves)

Reverse Meals on Wheels increase (2013-ASSH-002)
(£35,000)

Reverse Adult Care cuts (2014-TP-026)
(£200,000)

Reverse cuts in School Crossing Patrols (2013-CYPS-026)
(£27,000)

Communities & Environment

Protect Public Transport
Support threatened bus services
(£100,000)

More police on the beat
Contribute towards more PCSO hours in areas and times of need
(£25,000)

Local area priority budgets
Devolved Ward budgets for neighbourhood and Ward Councillor allocation.
Could also be used in joint funding with Town & Parish Councils.
(£3,500-£7,000 per ward)
(£175,000) (Possibly increase if from Strategic Investment Reserve?)

Devolved Parking
Transfer car parks in Clevedon, Nailsea, Portishead to Town Councils.
N Somerset saving on maintenance costs
(-£100,000)

Civil Parking Enforcement
Powers over illegal and obstructive parking (Officers advise revenue cost neutral)

A more cost-effective Council

Abolish Councillor Expenses
Only retain on specific instances with prior approval from meeting
(-£29,381)

Abolish Executive and reform system of governance Return to Committee and 'open' decision making
(-£99,711)

Top salary pay cap
Determine maximum level?
(-£159,000 if set @£50k)

Living Wage
To lowest paid staff
(£126,000)

Cut Consultant expenditure
+ Procurement efficiency savings
(-£160,000)

Reduce Scrutiny Panels and Chairmanships
(-£38,000)

N Somerset Life Magazine
Reduce to quarterly frequency. No increase in publication size
(-£40,000)

Empty properties Council Tax surcharge
+50% after one month. To discourage empty homes at time of need.
(-£57,000)

Regeneration Fund

Use existing £1.3 million from Strategic Investment Reserve towards regeneration projects/sites, especially within Weston-s-M

Labour Alternative Budget Proposals 2015-16

	£,000	
REVENUE BUDGET		
Funding Gap as per MTFP Update January Council	1,100	
<u>Additional Savings / Income</u>		
Devolved Parking - reduce car Park maintenance / transfer to Towns	-100	<i>Car Parks Clevedon, Nailsea, Portishead to Town Councils</i>
Civil Parking Enforcement - powers over illegal and obstructive parking	0	<i>Revenue cost neutral</i>
Introduce empty properties CT surcharge	-57	<i>50% after 1 month - to discourage empty homes at time of need, could also increase New Homes Bonus g</i>
Reduce North Somerset Life frequency	-40	<i>Quarterly, no increase in publication size</i>
Abolish councillor expenses	-29	<i>*Cllr expenses (£29,381 in 2013-14). Only retain on specific instances with prior approval from meeting</i>
Abolish Executive and reform system of governance	-99	<i>Return to open Cttee decision making system of local democracy</i>
Introduce a top salary pay cap	-159	<i>Review salary costs for senior staff paid over £50k</i>
Reduce Scrutiny Panels and Chairmanships	-38	<i>Greater use of Working / Task Groups</i>
Reduce consultancy expenditure, and introduce procurement savings	-160	
	<u>-682</u>	
<u>Additional Items / Reduced Savings</u>		
Reverse proposed Meals on Wheels increase	35	<i>2013-ASSH-002 community meals charges.</i>
Reverse Adult Care package savings	200	<i>2014-TP-026 Review of Adult Care packages to reduce costs</i>
Reverse School Crossing Patrol cuts	27	<i>2013-CYPS-026 School Crossing Patrols.</i>
Invest further in supported transport	100	<i>E.g. Locking Castle (ref Cllr Gibbons).</i>
Increase PSCO's in areas in times of need	25	<i>Would ensure more police on the beat</i>
Living Wage to lowest paid staff	126	<i>Union request. Already exists in many Local Authorities.</i>
Area budgets @ £3,500 - £7,000 per ward to be spent in conjunction with local Town and Parish Councils on projects of high need	175	<i>Ward member & community localised decision making. Could be increased, funded from Strategic Investment Reserve</i>
	<u>688</u>	
Utilise underspend generated during 2014/15	-506	<i>To be funded via increase in General Revenue Reserves</i>
Use of Earmarked Reserve as a funding resource	-600	<i>To contribute towards Adult Social Care spending proposals</i>
Revised Funding Gap	0	
EARMARKED RESERVES		
Release Section 256 Earmarked Reserve	-600	<i>ZXB314</i>
Create Earmarked Reserve	0	<i>None</i>
Net Movement in Earmarked Reserves	-600	
Strategic Investment Reserve	-1300	<i>Utilise Strategic Investment Reserve towards regeneration projects/sites, primarily in Weston-s-M</i>

APPENDIX 5 – SPECIAL EXPENSES CHARGES 2015/16

	2014/15 Estimate £	2015/16 Estimate £
WESTON		
Play Areas	0	0
Recreation Grounds	76,101	76,101
CCTV	54,410	73,370
Payment from Town Council	(130,511)	(149,471)
Balance b/fwd	0	0
Balance c/fwd	0	0
	<u>0</u>	<u>0</u>
CLEVEDON		
Play Areas	17,503	17,503
Recreation Grounds	18,694	18,694
CCTV	21,500	14,355
Balance b/fwd	0	0
Balance c/fwd	0	0
	<u>57,697</u>	<u>50,552</u>
NAILSEA		
Play Areas	12,505	12,505
Recreation Grounds	16,955	16,955
Payment from Town Council	(29,460)	(29,460)
Balance b/fwd	0	0
Balance c/fwd	0	0
	<u>0</u>	<u>0</u>
PORTISHEAD		
Play Areas	20,002	20,002
Recreation Grounds	13,222	13,222
Balance b/fwd	0	0
Balance c/fwd	0	0
	<u>33,224</u>	<u>33,224</u>
SPECIAL EXPENSES TOTAL		
	<u>90,921</u>	<u>83,776</u>

APPENDIX 6 – EQUALITY IMPACT ASSESSMENTS

Equality Impact Assessments 2015/16 Budget Reduction Proposals 3rd February 2015

1. Introduction

This paper is intended to provide Members with information to help them fulfil their equality duties; it should be read in conjunction with the equality impact Information that has been prepared and provided for each budget reduction proposal and included within the papers before Members for the 3rd February 2015 Executive meeting.

2. Public Sector Equality Duties

The Equality Act 2010 (Section 149) sets out public sector equality duties, which elected Members must consider. Members will recall that the general duties are to have due regard to the need to:

1. Eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

Advancing equality of opportunity involves, in particular, having due regard to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

Meeting different needs includes, for example, taking steps to take account of disabled people's disabilities.

Fostering good relations includes having due regard to the need to tackle prejudice and promote understanding between people who share a protected characteristic and those who do not share it.

Compliance with the general equality duty may involve treating some people more favourably than others. The general equality duty also applies to other organisations that carry out services on behalf of the Council.

3. Due Regard

'Due regard' is the regard that is appropriate, in all the particular circumstances. Members must also pay regard to any countervailing factors. The weight to be given to the countervailing factors is a matter for Members. There is no requirement to take certain steps or to achieve certain results. The duty is only to have due regard to the need to take the relevant steps.

4. Completion of Equality Impact Assessments

4.1 Protected characteristics

These general equality duties cover the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation
- and marriage and civil partnership. (This protected characteristic applies only to general duty 1.)

4.2 2015/16 Equality Impact Assessments

As Members are aware, to aid understanding and the consideration of these important equality duties, managers complete Equality Impact Assessments (EIAs) for each proposed budget reduction.

Members have been provided with information to highlight any potential disproportionate impact on any diverse group for each budget reduction proposal for 2015/16. This report includes an overall analysis of the cumulative impact on specific groups.

Detailed EIAs have been completed where the review of proposals identified a high or medium impact, or potential impact, for budget proposals in 2015/16.

EIAs also include the following important information:

- An assessment of the relevance of the budget proposal to the general equality duties and the protected characteristics.
- Collection and analysis of equality information to ensure equality issues can be fully explored and considered.
- Details of consultation and engagement with the people affected by proposed changes, to further understand the equality implications of the proposals. (Any consultation and engagement activity will be proportionate to the significance of equality issues to the budget decision)

4.3 Diversity in North Somerset

EIAs include information about the users of services wherever possible. It may also be helpful for Members to reflect on the diversity profile of North Somerset.

According to the 2011 Census:

Age - There are 35,799 people aged between 0-15 years, 123,281 people of working age and 42,633 older people (65+ years). Currently older people make up 21% of North Somerset's population compared to 16.5% of the population nationally.

Disability - Disabled people make up 19.2% of the North Somerset population, 38,740 people. This compares to 17.9% of the population nationally.

Sex – There are slightly more females (51.4%) than males (48.6%) in North Somerset. This is in line with the national figures; (50.8% female and 49.2% male)

Race – Black and minority ethnic population make up 2.7% of North Somerset's population compared to 4.6% of the South West area and 14.0% nationally.

An additional 3.2% of people in North Somerset are from White Other Groups, which include Irish, European and other White groups. This compares to 5.4% nationally.

Religion and Belief - 61% of the population indicate that they are a Christian, with 30% indicating they have no religion, those with a religion other than Christianity make up 1.5% of the population. Nationally the profile is: 59.3% Christianity, 25.1% no religion and 8.4% other religions.

Sexual Orientation – data available is very limited however the Census indicates that 0.1% of households are within same sex civil partnerships. This is the same figure nationally.

4.4 2015/16 Budget Reduction Proposal Equality Impact Assessments

Initial Equality Impact Assessments have been undertaken for budget proposals for 2015/16. The potential impact on equalities groups has been assessed as:

- High (H)
- Medium (M)
- Low (L)
- None – If there are no identified impacts on any protected group

Taking account of mitigating action in place, many of the savings are considered to have no or a low, or in some cases a positive impact on service users. If the impact has been assessed as being 'medium' or 'high' on service users, then a detailed Equality Impact Assessment has been prepared and is included within this report.

5. Consultation on the 2015/16 EIAs

Draft EIAs were published in December 2014 giving elected Members, stakeholders and the public the opportunity to consider and comment on the equality issues associated with the budget reduction proposals.

The purpose of the consultation has been to raise awareness of the availability of the draft EIAs, and to encourage comments on the areas raised in the assessments.

This has included, meetings with key stakeholder groups including:

- North Somerset Black and Minority Ethnic Network
- Disabled Access Group
- Equality Scheme (stakeholder) Implementation Group
- Stakeholder Groups in People and Communities
- Trade Unions

We have also raised awareness more generally through the North Somerset Life publication which is sent to every household.

The consultation responses have been reflected within the EIAs, as appropriate. The EIAs also reflect any service specific consultation.

5.1 Results from consultation

A number of comments were received, including concerns over:

- The future of child pedestrian training and cycling proficiency, and the availability of resources for this type of support for children in schools.
- The reduction in school crossing patrols when considered in combination with a reduction in the availability of the road safety budget.
- Making sure that any reviews of the care packages that are currently delivered to our older and disabled people focus on the individual and a review of their individual needs.
- The ongoing challenges faced by voluntary and community organisations and the potential for a reduction in the level of service provided by them to those who are most in need in our communities.

The proposal which generated the most comment is the increase in charges for community meals. Whilst some groups understood the need for a cost increase they expressed concern about the potential impact on vulnerable people who may not be able to afford the increase. Recognising that the community meals service provide more than 'just a hot meal', it was suggested that a 'safety net' be put in place to ensure any service user unable to afford the cost increase could have their needs considered on an individual basis.

The consultation responses have influenced the development of mitigating actions identified in the EIA's.

5.2 Trade union comments

Trade union colleagues raised concerns about the lack of data presented in a number of the draft detailed EIAs. This has been addressed within the EIAs presented to Members.

The trade unions also raised concerns about the additional pressure placed on teams as a result of vacant posts being removed from the staff establishment and requested that the cumulative number of staff or posts affected by the 2015/16 budget proposals be identified.

It is difficult to accurately assess the total number of staff affected by the 2015/16 budget proposals; however the following information has been gathered through a review of the staff information provided in the initial EIAs:

- Around 9 vacant posts will be deleted from the staffing establishment.
- A further 12 FTE (approx) have been identified as being at risk of redundancy, this figure includes 18 school crossing patrol staff (CYPS26)
- Several reviews including training (TPS31), Youth Employment Service (CYPS18), Reduction in Management Costs (CORP006) and Human Resources (TPS20) identify that posts may be affected following completion of the review, but have not yet specified the detailed implications.
- A number of staff transfers have been identified under the council's Transformation Programme, including Internal Audit (TP035) and TP043, which includes reference to the approximately 150 staff that are to be transferred at the end of January as a part of the business support review.
- ASSH40 identify 51.8 staff that may be affected through the review of the in-house START service.

6. Potential 'high' or 'medium' risk assessments and mitigating actions

Wherever possible, budget reductions have been achieved by extending joint commissioning of services with partners, renegotiating existing contracts, exploring potential sources of income generation and generally working smarter and more efficiently, before front line service reductions are considered. Budget reductions have also been achieved due to a reduction in demographic demand for some services.

However, there is an acknowledgement that with far less public money available some individuals will be affected by the council's budget reduction proposals. As a result of the completion of EIAs there are a number of areas that have been identified as potential 'high' or 'medium' risk within the EIAs. This level of impact could be either because of the nature of the changes that are proposed, the groups of people who currently receive a service or the impact on the voluntary and community sector.

The table below illustrates the areas that were initially assessed as having a 'high' or 'medium' risk to service users in 2015/16. It also identifies the proposed mitigating actions to reduce that risk.

6.1 Initial EIAs that identified a potential 'high' or 'medium' risk to service users

Budget Reference	Service Area	Reason for being included as high/medium risk	Initial Assessment of service user impact	Mitigating Actions	Impact level after completion of mitigating actions
ASSH002	Increase in Community Meals Charges	<ul style="list-style-type: none"> Profile of service users 	High	<ul style="list-style-type: none"> The Council will actively signpost to alternative services Consideration to operate by exception a waiver for charges in cases of hardship; 	Medium
CYPS026	Review of discretionary school transport and school crossing patrols	<ul style="list-style-type: none"> Profile of service users Impact on schools Potential for staff redundancies 	Medium	<ul style="list-style-type: none"> Work with schools and Town and Parish Councils to provide crossing patrols in a new way. Retention of 52% of the service budget to facilitate support for schools and other groups after service transfer. 	Low*
CSD035	Reduction in activities provided by the voluntary sector	<ul style="list-style-type: none"> Profile of service users Services currently provided by voluntary sector organisations 	Medium	<ul style="list-style-type: none"> Discussions with organisations potentially affected to reduce costs without impacting on services. Review of other potential sources of funding and Police and Crime Commissioner funding 	Low
D&E020	Invest to save options at leisure centre	<ul style="list-style-type: none"> Profile of service users The loss of current bowls and soft play provision 	Medium	<ul style="list-style-type: none"> Consultation with service users leading to the purchase of short mat bowls equipment and the relocation of the crèche. 	Low**
D&E078	Road Safety and sustainable travel	<ul style="list-style-type: none"> Research shows that those likely to be most affected by a reduction in road safety provision include: disabled people, older people, children and 	High	<ul style="list-style-type: none"> Revenue obtained through the switch on of a safety camera and training income from 'In Car Safety' and 'Driving Instructor Training' 	Medium

		ethnic groups			
TP013	Expansion of Shared Lives services across client groups	<ul style="list-style-type: none"> This budget proposal includes a review of residential short breaks for adults with a learning disability 	High	<ul style="list-style-type: none"> Comprehensive consultation programme to ensure individual concerns can be raised. The offer of alternative services Ongoing reviews to ensure that identified provision meets service user current and future need. 	Low
TP017	Review existing short breaks services and contracts (disabled children)	<ul style="list-style-type: none"> Profile of service users 	Medium	<ul style="list-style-type: none"> Significant level of service user involvement to develop the new model of service No proposal to reduce the service level below levels of assessed need Improved flexibility to ensure that urgent needs can be better accommodated 	Low***
TP026	Continuation of outcome reviews of care packages across all client groups within Adult Social Care	<ul style="list-style-type: none"> Profile of service users 	Medium	<ul style="list-style-type: none"> Continuation of well-established and managed processes. The council continues to meet its statutory duty to individuals based on their assessed need. Ongoing support for individuals and the availability of independent support and advocacy if required. 	Low

- * If proposals are attractive to schools and well implemented there is a possibility that the number of sites with a crossing patrol could increase.
- **Some groups, in particular Disabled People will see a positive impact from this project as the accessibility of equipment purchased as a part of the invest to save project is superior to the existing equipment.
- *** If implemented successfully it is anticipated that these changes will improve the choice of services, the transition from child to adult services and increase the level of support for 18 to 25 year olds.

6.2 Positive Impacts

It should be noted that a number of the 2015/16 budget proposals have identified a positive impact on diverse groups; these positive areas include an improvement to:

- Parking arrangements for disabled people and parent/carers in Nailsea (D&E091)
- The accessibility of facilities in council buildings (CSD064)
- The length of time taken to complete care proceedings, reducing placement costs in cases which end in permanent solutions for children, whether returning to their families or adoption and a review of the current services offered to children looked after with the aim of improving their outcomes (CYPS005 and CYPS008)

7. Impact on North Somerset Council staff

The approach to managing workforce reductions has been developed in the context of a significant reduction in funding of public services. Initiatives to mitigate the impact on staff include:

- Holding posts vacant or filling vacancies on a temporary or fixed term basis, wherever possible
- Re-provision of services with other providers and staff transferring via TUPE, for example approximately 150 staff are transferring to Agilisys/Liberata and their existing transfer and conditions will transfer under TUPE as will their existing pension arrangements.
- Offering redeployment and retraining opportunities to 'at risk' staff, wherever possible.
- Varying terms and conditions to reduce the pay bill to help mitigate the number of job losses, for example the Trade Unions are being consulted on proposed changes to overtime and enhancement payments to help reduce the council's pay bill without additional job losses. (A detailed EIA for this proposal (CORP007) is included within this report)

Given the scale of budget reductions, unfortunately some job losses are inevitable. However the council's stated policy is to avoid compulsory redundancy whenever possible.

If workforce changes are required, we will commence consultation at the earliest possible opportunity, irrespective of the number of employees involved.

7.1 Diversity across Council Workforce

Some budget reduction proposals may have an impact on the council's workforce. It may also be helpful for Members to be aware of the overall profile of the workforce, which is shown below:

The Council currently employs around 1,700 people outside of schools.

Age - the age profile of the non-school workforce is shown in the table:

Age Range	
16 - 20	1.0%
21 - 30	11.3%
31 - 40	19.3%
41 - 50	30.3%
51 - 65	36.4%
Over 65	1.7%

Gender – 75.2% of the non-school workforce are female.

Ethnicity - 91% of the non-school workforce are from English/ Welsh/ Scottish/ Northern Irish/ British Groups. The remaining 9% are from Black and Minority Ethnic (BME) and 'Other White' groups.

Disability - 6% of council staff have declared that they have a disability.

Sexual orientation & Religion or belief - there is insufficient data currently held to accurately report on the workforce profile in relation to these areas

8. Cumulative Impact of Budget Reduction Proposals

8.1 Introduction

Assessing the cumulative impact of the budget reduction proposals is complex. However, the publication of all Equality Impact Assessments at the same time and altogether in one place (in this report and on the council's web-site), in advance of Council considering the 2015/16 budget, should help to provide Members with an overall picture of the impact of the proposed changes.

In addition, this report identifies areas where protected groups are potentially affected by a combination of budget reductions.

Analysis of the initial EIAs for the 101 budget reduction proposals show the following potential impact on equality groups (after any mitigating actions have been implemented):

- 53 assessments (54%) indicate that there should be 'no impact' on equality groups through the implementation of the budget reduction proposals
- 40 assessments (38%) indicate that there could be a 'low impact' on some equality groups through the implementation of the budget reduction proposals
- 8 assessments (8%) indicate that there could be a 'medium' or 'high' impact' on certain equality groups through the implementation of the budget proposal.

8.2 Budget proposals where 'No' Impact is expected on equality groups

The 54 assessments which indicate that there will be 'no impact' on equality groups account for approximately £4.7m (33%) of the total savings proposals for 2015/16.

It should be noted that for the purposes of this assessment those areas that have identified as having a positive impact have been included in the calculations for 'no' negative impact.

Examples of the type of savings proposal which would have no impact on service users include:

- Savings as a result of successful contract negotiations
- Generating additional income through trading with external organisations
- More effective use of existing budgets for example through joint commissioning with partner organisations

8.3 Budget proposals where a 'Low' Impact is expected on equality groups

The 40 assessments which indicate that there could be a 'low impact ' on equality groups account for approximately £8.9m (62%) of the total savings proposals for 2015/16.

Examples of the savings that are likely to have a low equality impact include:

- Savings resulting from a reduction in the demand for services due to demographic changes in North Somerset
- Re-commissioning and re-designing services to make efficiency savings within contracts but also limiting the loss of any capacity within the contract
- Deletion of vacant posts and restructuring within teams

8.4 Budget proposals where a 'High' or 'Medium' impact is expected on equality groups

There are 8 assessments which indicate that the implementation of a budget proposal could be a high or medium impact on equality groups. These proposals account for approximately £702,000 (5%) of the total savings proposals for 2015/16.

These areas were identified through an initial assessment as anticipating a high or medium impact on equality groups (prior to mitigating actions) and where detailed EIAs are presented with this report.

These areas are:

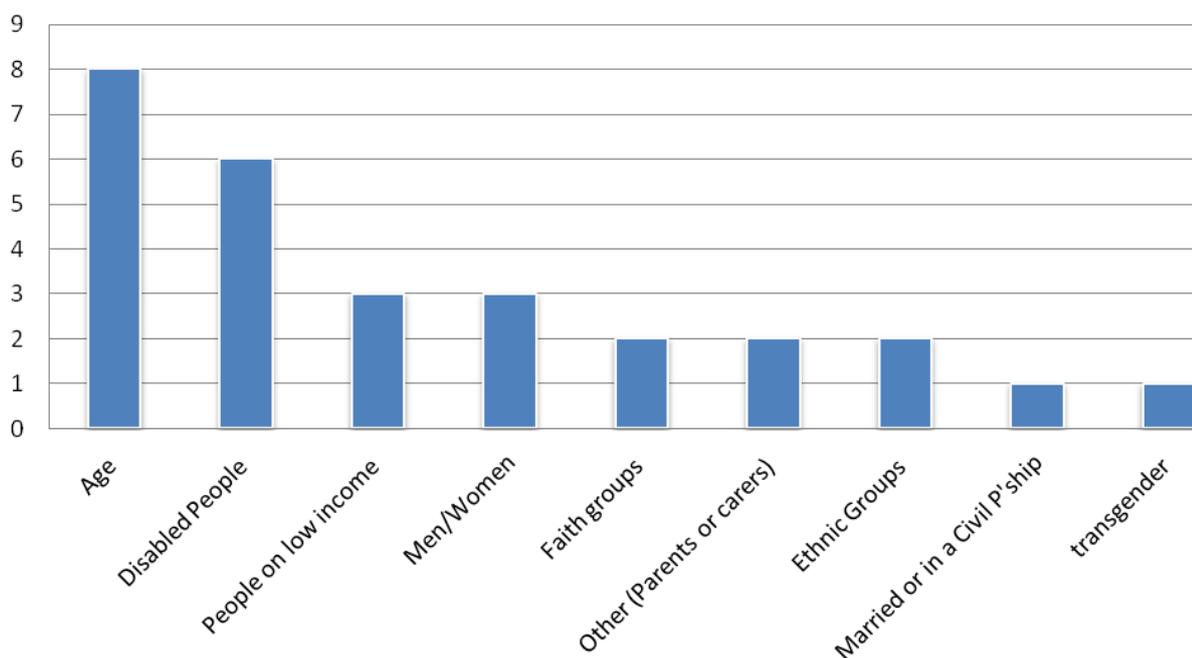
Budget Reference	Budget proposal	Saving
ASSH 002	Increase community meals charges in line with regional benchmarking	£35,000
D&E078	Road safety and sustainable travel	£60,000
D&E020	Invest to save options at leisure centres	£25,000
CSD035	Funding for voluntary sector and community sector organisations	£5,000
CYPS026	Review of discretionary school transport and crossing patrols	£27,000
TP013	Expansion of Shared Lives Services across client groups(Which includes the review of residential short breaks)	£150,000
TP017	Review of existing short breaks services and contracts (Children with disabilities)	£200,000

TP026	Continuation of outcome reviews of care packages across all client groups	£200,000
		£702,000

The following budget proposal has been identified as having a potential ‘medium’ impact on staff groups and has therefore been presented as a detailed assessment within this report.

Budget Reference	Budget Proposal	Saving
CORP007	Undertake a review to identify opportunities to reduce staffing costs in respect of pay enhancements and travel allowances	£150,000

8.4.1 The chart below also highlights the cumulative impact on equality groups for the above proposals



(NB. Each EIA may identify multiple impacts, e.g. disability and ethnicity, therefore the total exceeds 8.)

8.5 Services for Older/Younger People

Services provided for older or younger people are potentially impacted by all 8 of the highlighted impact EIAs. This needs to be viewed in the context that services for children and adults account for around 55% of the council’s revenue budget.

- **Older people** - Adult social services provide care for people with an assessed need that is either critical or substantial under the Department of Health guidance. This continues to be the threshold for determining eligibility and, therefore, the majority of

the savings proposals in adult social care are focused on delivering services more efficiently and through workforce reform.

- **Younger people** - The focus of children's social care work is to prevent children being looked after and enabling them to live safely with their families; EIAs highlight that no child will be put at risk by being left in a dangerous household. Whilst 2 of the 2015/16 assessments whilst they high-light an impact on young people they also set out a series of mitigating actions that aim to improve the current levels of service, choice and outcomes for our young people.
- **Disabled people** - Services will continue to be provided to those most in need. Whilst a number of the proposals indicate some change for disabled people they also set out a series of actions that aim to improve choice and outcomes for those receiving our services.
- **Low income households** - Charges in some areas are being reviewed to reflect the increasing cost of some services, however people on low incomes and those in greatest financial need will be safeguarded.

8.6 Consequences of reductions of funding to the Voluntary and Community sector

Some of the proposed budget reductions could impact upon the voluntary and community sector, however it is anticipated that these reductions will be achieved through a review of service level agreements and a renegotiation of contracts. As a result it is expected that the overall reduction will be relatively modest given the overall schedule of savings to be achieved. Dialogue is ongoing with the voluntary and community sector regarding the proposals

9. Monitoring the Impacts of the budget reduction proposals

Within each EIA there is detailed information about the mitigating actions that are being taken to ensure that any impact is as minimal as possible. These are regularly monitored by the Corporate Management Team, the Executive, and Policy & Scrutiny Panels.

10. Continued delivery of services

The council's Equality Impact Assessments understandably focus on the impacts of the proposed budget reductions on diverse groups, whilst there is likely to be an impact on services and service users as a consequence of the scale of the budget reductions we need to achieve, the council will continue to provide a wide range of services to its communities, with priority given to those most in need. The Council's revenue budget for 2015/16 includes anticipated expenditure of £151.461m.

Some of the services which will continue to be provided, and their relevance to diverse communities, are highlighted in the following paragraphs.

10.1 People & Communities Directorate

The People and Communities Directorate provide a wide range of services to people of all ages in North Somerset from infancy to old age. Some of the services are available to all, but most are focused on those with the greatest needs at key points in their lives.

Services aim to maximise the independence of individuals and families, enabling people to meet their own needs in the community, and to reduce the need for costly interventions such as residential care. There is a growing emphasis on prevention and providing help at an early stage, which has been enhanced by the integration of the Public Health service within the Directorate.

The People and Communities Directorate has six strategic aims which support the delivery of the Council's vision and priorities. Working with customers, colleagues and partners the Directorate aims to improve the lives of people in North Somerset by:

- Promoting independence and enabling individuals, families and communities to improve their own lives.
- Ensuring that people receive the care and support they need with maximum personal choice and control
- Safeguarding children and vulnerable adults from abuse
- Preventing ill health, improving health and well being and reducing inequalities
- Ensuring that housing better meets needs; and
- Encouraging excellence in education and promoting lifelong learning that supports individual employability

Savings and growth

The main focus of savings proposals continues to be on achieving further commissioning efficiencies aimed at transforming services, thereby minimising the impact of reductions in government funding on service users, and on integrating services both within the council and with partners.

The proposed savings in the Medium Term Financial Plan include:

- Expansion of enablement and re-ablement services, beyond the first six weeks; extending shared lives across all service user groups; additional extra care capacity and further use of housing support for people with disabilities to support the outcome reviews; joint commissioning and shared services with NHS; and further efficiency savings in the voluntary sector and supporting people services.
- Further workforce remodelling identifying savings across housing and adult social care.
- Additional income generation across adult care, Learning and Achievement, children's centres and housing services
- Redesigning and re-commissioning of short breaks for disabled children
- Completing the re-design of the Youth Employment Service, successfully transferred back into the Council from Learning Partnership West; and
- Reduction of discretionary children's services such as child care for under two year olds and school crossing patrols

The Council's public health responsibilities are funded from a ring fenced government grant. There is some scope to align appropriate expenditure across the Council with the public health grant, maximising the benefit of the grant.

Alongside savings, the proposed budget also provides for growth to take account of the rising demand for services associated with a growing and ageing population as well as new responsibilities towards both adults and children under the Care Act 2014 and the Children and Families Act 2014. This includes additional funding for the looked after children placements budget.

The net position, taking account of both savings and growth will be a reduction in People and Communities budgets of around £2.8 million in 2015/16, this is equivalent to 3% of the net budget for 2014/15 (£ 92.8 million).

Wider Context

Despite the significant net savings which have been made in People and Communities budgets over recent years, and the further savings which will be required over the next few years, the Council will continue to commission or provide a wide range of services for people, often working in partnership with other organisations, including schools, NHS partners and voluntary organisations and community groups.

To give an idea of the volume and breadth of services, here are some examples of the plans to provide through the People and Communities Directorate:-

- Commission over 11,000 Hours of independent sector home care per week to over 1000 people
- Commission or deliver over 1400 placements for vulnerable adults
- Respond to over 2,500 safeguarding adult alerts per year
- Provide services via personal budgets to approximately 2100 people
- Commission or deliver day care activities, social inclusion and employment preparation each week for 490 people
- Deliver Community Meals and Welfare Checks to around 400 people each week
- Provide equipment to help 1,500 people each year
- Assess and support 2000 Carers
- Engage over 800 people per year in informal adult learning
- Provide 14 children's centres
- Support 76 schools and academies (including the Voyage Learning Campus and the North Somerset Enterprise Technology College)
- Act as corporate parent for over 200 Children Looked After and recruit and support foster carers and adopters
- Respond to 2,300 children's social care referrals per year
- Undertake over 400 child protection investigations
- Co-ordinate and monitor multi-agency child protection plans for over 100 children at any one time
- Process around 6000 applications for school places
- Provide integrated support to over 600 Disabled Children

- Assess children and young people aged 0-25 with significant special educational needs or disabilities for the new Education Health and Care Plans
- Deliver over 500 individual programmes of support to young people or their families through the Youth Offending Service
- Promote healthy lifestyles, including supporting over 1000 people to quit smoking
- Ensure high rates of vaccination including over 90% coverage for the HPV vaccination in 12-13 year old girls, which prevents cancer
- Help 5,500 housing customers using the Town Hall Gateway
- Prevent homelessness for around 580 households and complete 270 Homelessness investigations per year
- Manage around 3,500 households on the Housing register
- Regulate 1,500 Houses in Multiple Occupation
- Deliver 150 Affordable Homes per year

10.2 Corporate Services

The budget reduction proposals across Corporate Services have largely been focussed on transformation and finding different ways of doing things to minimise the impact of the reductions on residents. Some of the major projects that the directorate have been working on include:

- Extending the contract for Support Services with Agilisys
- Supporting the review of the council's business support and front office services
- Developing and implementing the council's digital strategy
- The implementation of ICT transformation
- Refreshing the People Strategy and HR Policies
- A procurement review and supporting the development of a commercial strategy
- Reviewing all support services and functions to ensure they are 'fit for purpose'
- Further development of joint-working with Bath and North East Somerset

Despite the budget reductions the Corporate Services Directorate has an annual revenue budget of around £17m which it uses to deliver a range of support services to the council, for example we:

- Employ 221 people in the Corporate Services & indirectly a further 277 people via the Agilisys contract.
- Provide human resources support to over 4,000 employees and external organisations.
- Support over 120 statutory committee meetings.
- Receive over 600 new legal cases each year.
- Register over 2000 deaths and births and conduct over 600 marriages and ceremonies a year.
- Deal with over 1,500 media enquiries a year and issued 249 press releases.
- Deliver capital construction projects of circa £10m per annum and ensure all council property is maintained, including managing asbestos and statutory compliance across the whole estate.
- Lead the council's Medium-Term Financial Planning activity ensuring that the council successfully overcomes its projected budget deficit

- Support to large scale infrastructure projects
- Support the Council's wider Transformation Programme, ensuring the financial and other benefits are realized.

In addition to support services a considerable proportion of our revenue resources are committed to providing services for our residents as detailed below.

Customer Services

We continue to transform our customers services through council connect, our contact centre and the further development of the gateways at the Town Hall and Castlewood which deal with over 70,000 face to face contacts per year. This year we have also integrated the registrars service into the town hall gateway.

The contact centre has over 350,000 telephone contacts a year of which 96% of customers are satisfied with the way their enquiries are dealt with and 92% of recorded calls meet the defined quality standard. Call abandonment is below the target of 4% at only 3.4% and the proportion of customer contacts carried out online continues to increase and is now at 25%.

We have plans to improve our customer services further. The way in which people interact with organisations is changing. So we will continue with the significant remodelling of customer services provision, moving to a 'digital by default' model for council services, enabling 24 hour access to many council services at a reduced cost, primarily through web/smart phone apps. We intend to:

- Develop our website as the main route through which people access services and information
- Tailor customer contact to the most effective/preferred method, based on a sound understanding of customer demographics
- Give residents the tools to deal with their own service needs quickly and easily, stripping away bureaucracy and complexity wherever possible
- 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.

These proposals will be a positive step for most residents across North Somerset and will allow us to increase customer access without reducing the quality of customer care.

Safer and Stronger Communities

The council will continue to develop its partnership working with the Police, and others, to make communities and individuals safer, more empowered and in control of their day to day life through reducing crime, disorder and drugs and developing the capacity of local communities and taking part in community led initiatives.

Currently serious acquisitive crime continues to fall with a 10% decrease in levels of crime compared to the same period last year. This is better than the 5% reduction seen across the Avon and Somerset force. However violent crimes have increased with 13% more crimes recorded than in the same period last year. This is comparable with a 13% increase which has been seen across the Avon and Somerset force.

North Somerset's High Impact Families programme is designed to "break the cycle of inter-generational deprivation by focusing on getting parents into work, children attending at school, reducing crime and anti-social behaviour, [thereby reducing] the cost to the state".

The programme has Government payment by results targets to meet in relation to:

- adult employment
- young people's anti-social behaviour or offending and
- School attendance.

Our targeted support has helped ensure that the High Impact Families programme is continuing to achieve the Governments performance target for 'turning around the lives of troubled families'. Currently we have turned around 239 families and are on track to achieve the target of 305 for phase one of the programme.

We also continue to develop services in partnership with Parishes, communities and the third sector. Examples include; the transfer of Weston Youth Centre, Yatton Youth Club, a number of public conveniences and the potential transfer of some car parks.

The community resilience programme is developing well and continuing to expand membership across North Somerset. The volunteer network is seeking Community Interest Company status and the application is currently with the Charities Commission and a Memorandum of Understanding is being developed for work with the council. We also continue to identify and deliver community risk mitigation activities with partners.

Revenues and Benefits

We will continue to pay £80m in Housing & Council Tax Benefit to more than 17,000 Benefit customers and we process new claims on average within 20 days (compared to 23 average) and ensure that any changes are processed within 6 days (compared to 9 England average).

The Revenues and Benefits service has had to adapt to the new legislative framework introduced last year. Whilst doing so the service has worked hard to ensure that it continues to provide a good level of benefit performance in a period of radical change.

Alongside these changes the Revenues and Benefits Service is constantly looking to improve its efficiency and successfully launched its self-serve platform on the website in February 2014. Since then online self-service has been very popular with account views on line now exceeding an impressive third of million views and 95% of benefit claims are now received via self-serve.

In addition 20,000 households signed onto My Account for council tax. The overall numbers of customers using direct debits to pay their Council Tax currently stands at 70%.

10.3 Development and Environment

The savings within the Development and Environment Directorate have been focussed on transformation and finding different ways of doing things. As a result, the impact of reductions on communities has been minimised. In particular, D&E has focussed on

- Reducing landfill costs by increasing recycling and waste treatment

- Using ICT to make efficiency savings
- Stimulating the market to provide innovative ways of delivering services
- Reducing unnecessary energy costs
- Working with community groups and Town and Parish Councils

Despite these reductions, D&E still has a net annual revenue budget of around £30m, which is dedicated to improving the quality of life of a whole range of communities. In addition to this revenue budget, considerable capital resources are committed to improving assets and infrastructure, which have a positive impact on the lives of everyone.

Highways

Highways are our most valuable asset. They are vital to the economic, social and environmental well being of our area. They provide access for business and communities, as well as contribute to the area's local character and quality of life. Highways really do matter to people. Public opinion surveys continually highlight dissatisfaction with the condition of local roads and the way they are managed, and this is particularly the case for disabled people.

Like all authorities, parts of our highway network (particularly in unclassified network) are in poor condition – reducing resources and adverse weather conditions mean that the condition is deteriorating.

However, the Council is making improvements, through taking a long-term, asset management approach to repairs and maintenance and by investing more money. The Council continues to commit £1.5m of its own resources to highway improvements - along with grants from government; this means that this year, we expect to spend around £6.5m of capital resources on improving the highway network (including drainage and street lighting). In addition, there is a revenue budget of around £3m, which is spent on a combination of preventative and reactive repairs, drainage, gully emptying, and winter maintenance.

In the context of this overall spending, the small reductions that are described in the individual equality impact assessments are very modest. Indeed the Council has committed to increase the preventative / structural maintenance budget each year in order to close the investment gap. It is also increasing the amount it spends on reactive maintenance. We also take opportunities to use one-off funding to invest in the network

The Council also committed to using these resources wisely by striking the right balance between reactive and preventative works. We recognise that spending money on preventative and structural maintenance is much more cost effective in the long term than short term, reactive repairs. However, for safety reasons and because of the overall condition of the road network, we do still have to spend significant amount on reactive repairs. We are now doing more to make sure that these repairs last longer and more work is also being done on improving communication and engagement with customers.

In addition, facilities for disabled people are at the forefront of the way in which we design and implement each individual highway improvement scheme.

Transportation

Transportation, in whatever form, is a vital part of modern society and enables access to work, shopping, leisure, health and other services and facilities. Affordable transport is particularly important to women, young people, older people, disabled people and people who live in rural areas.

The Council will continue to provide the Diamond Travel Card concessionary transport scheme, which costs around £2.5m per annum. The Council's scheme goes beyond the nationally specified scheme in that it also provides free transport for disabled people's companions and travel in peak hours is also allowed.

Whilst reductions have been made to the budget for supporting non-commercial public transport, much of this has been achieved through an improved response from the commercial providers. In 2015/16, we expect to continue to spend around £300,000 on supporting public transport routes that would otherwise not be commercially viable. In setting our budgets, and, in line with consultation responses, we have prioritised daytime services that provide access to employment, shopping and services and redesigned other services to make them more affordable. Where services have been reduced, some additional community transport services have been introduced.

The Council also has a large capital improvement programme, dedicated to improving transportation. We expect to spend over £1m on public transport, congestion management, safety and travel plans and walking and cycling programmes.

In relation to road safety, whilst we expect to have to reduce the amount of revenue we spend on education and awareness as a result of the loss of the government's road safety grant, we will continue to focus Local Transport Plan capital grant on road safety and we will take opportunities to secure other external funding to improve roads safety and sustainable travel. Examples include the Local Sustainable Travel Fund, which, across the West of England is delivering £30m of projects to stimulate growth, connect communities and promote sustainable travel choices.

In addition to this, the Council, in partnership with the other West of England authorities has secured significant amounts of funding to deliver major transport improvement schemes such as Weston Package, South Bristol Link, Ashton Vale to Temple Meads and Metro West rail line. All these schemes are designed to support economic growth, reduce congestion and improve local access, safety, public transport, walking and cycling.

Parking

On and off street parking is a crucial factor in supporting transport and access to services and is of particular interest to disabled people.

Over the past couple of years, the Council has made significant strides in improving access to and turnover of parking spaces, particularly in Weston-super-Mare Town Centre, through the introduction of pay and display operations. This has had the effect of increasing the number of spaces available for disabled users. Our on-street scheme is fully compliant with the national Blue Badge scheme. Under the national blue badge scheme there is not a requirement to offer concession in off street car parks. However the Council offers 1 extra free hour in its pay and display short stay and seafront parking areas and is currently also planning to allow an extra 1 hour free time restrictive car parks that have maximum wait

times and in any additional similar car parks. The Council is also planning to introduce a specific excess charge notice (fine) in relation to parking a vehicle in a bay marked for disabled without a valid disabled badge. The proposed level of this fine (£50 if paid within 7 days, £100 if paid within 14 days) is the maximum allowable under industry guidance.

Waste and Street Scene

A significant amount of spending in D&E is committed to waste and street scene services. These services are important to every North Somerset resident.

In relation to diverse groups, we ensure that assisted collections are available for older or disabled people. We also make sure that in inspecting our environment, our Area Officers focus on safety, which is particularly important to disabled people. Dangerous highways defects are fixed within 24 hours and other potholes, which are identified as a safety hazard, are generally repaired within 28 days.

Employment

The economic and social benefits derived from employment are important for everyone. Finding employment is a particular issue for disabled people, those on long term benefits and those who live in particularly socio-economically deprived areas. The Council continues to support people back into work through a variety of schemes and partnerships, including:-

- Westonworks – a community One Stop Skills and Job Shop that helps local people reach their full potential in education, enterprise and employment.
- Ready4Work – a scheme offering training and grants to people on long term benefits (including incapacity benefit) to help them get back into employment
- Social Enterprise in contracts - written into our Parks and Street Scene contract is a requirement to work with Social Enterprise in the delivery of the work and our contractor works with the Groundwork UK to achieve this. In addition, this contract is also linked with the Council's own smaller scale Social Enterprise Contractor (who provides work experience for people who find it difficult to get back into employment and carry out minor works in parks, etc.) by asking that the Parks and Street Scene contractor consider, in the first instance, drawing employees from our own Social Enterprise Contractor.

Libraries

Located at the heart of communities, libraries are the free gateway to the knowledge and information everybody needs to improve and enrich their lives. Library services remain an important feature of Council services and are particularly important to vulnerable and older people and those without internet access at home.

Whilst the Council has made significant cost savings in the provision of library services, it has done this through innovation and transformation and not large scale closure.

The Council continues to spend around £2m on providing static libraries and a mobile library, which supports services in rural communities. In addition to traditional lending and reference materials, libraries now provide essential access to information through free internet facilities and wider ICT support. The 'Digital by Default' electronic roll out of all

government services and interaction, along with identical progress at the local level is already seeing a growth in the need for public internet access, and training and support for those without basic ICT skills. Libraries provide this in our venues across the district, as well as acting as gateways to council services under the Council Connect brand. Without such access at local venues, it will be difficult for those without access to transport or ICT to interact effectively with central and local government, and their supporting agencies.

The refurbishment of the Town Hall in Weston-super-Mare, with the inclusion of a modern library service is an excellent example of how bringing services together under one roof provides a better service at a reduced cost. Many of our other libraries have also seen recent investment including the reopening of a refurbished Winscombe library.

APPENDIX 7 – NORTH SOMERSET COUNCIL PAY POLICY 2015/16

Introduction

This statement describes the council's policies that relate to the remuneration of its workforce outside of schools.

The statement is intended provide sufficient information about North Somerset Council's pay policies to enable local tax payers to reach an informed view about local decisions on all aspects of remuneration for the council's non-school employees.

General Principles

North Somerset Council recognises that, in the context of scarce public resources, remuneration, at all levels, needs to be adequate to recruit and retain employees with the skills and motivation to deliver high quality services, and at the same time needs to demonstrate value for money and avoid unnecessary costs.

The council is committed to transparent, fair and equitable pay and grading arrangements. All employees are treated on an equal basis and senior officers and not differentiated from other employees in terms of the approach taken for appointments, remuneration, promotion or termination.

Pay Structure – Overview

The pay grade for all roles, including the council's Chief Executive, Directors and Heads of Service are determined through job evaluation using the Hay Scheme.

Levels of pay for senior officers have been determined by reference to benchmarking data, provided by Hay, which compares the salaries of comparable roles in a wide range of public sector organisations including other local authorities, health bodies and not for profit organisations. It is the council's current practice that salaries for its senior officers are set 10% below the median for comparable roles. Recent comparison shows that senior officer salaries in North Somerset Council are significantly less than other similar local authorities in the South West.

The pay and grading for senior officers is the responsibility of the council's Employment Committee and an element of pay for senior officers is dependent on the postholder consistently meeting overall expectations of the job and meeting agreed targets. North Somerset Council reserves the right to reduce the level of remuneration if it determines that an individual's performance has been unsatisfactory.

Any cost of living pay award is determined through national pay bargaining and recent pay awards have been consistent with the government policy of a 1% increase. Salaries for other officer roles within the council are based on median pay levels using the Hay data and are comparable with other similar local authorities.

The Government has recommended that authorities publish the ratio of the pay of the council's top earner to that of its median earner to support the principles of fair pay and transparency. The council's current ratio in this respect is 4:1.

Pay Structure - Details

The council's pay structure currently consists of 18 grades. Every job is evaluated using the Hay Job Evaluation Scheme which establishes the relative size of each role and the points awarded determine the appropriate grade for the job.

The council's lowest paid employees receive a salary equivalent to Grade 1 on the council's pay structure.

Starting Salaries

Employees are usually appointed to the minimum point of the grade for the role. If an employee applies for an internal job that is the same grade as their substantive role they will be permitted to move across on the same point.

An external applicant who is earning above the minimum scale will not normally have their existing salary matched.

Pay Progression

Pay progression is based on increments. Progression up to the maximum of the grade through incremental salary points normally takes effect from the anniversary of the start date of the employee.

Increments may be withheld following an assessment of an employee's performance.

Honorarium and Acting-up Payments

Honorarium and acting-up payments are paid at the bottom point of the grade for the post they will be covering. No incremental progression is awarded on these arrangements.

Any honoraria or acting-up payments for senior officers requires prior approval of the council's Employment Committee.

Secondments

Secondment appointments are not subject to incremental progression and the bottom salary point of the grade will be paid.

Market Supplements

The council does not pay market supplements in addition to salary.

Premium Payments

Employees paid at Grade 6 or below who are required to work evenings, weekends and bank holidays are currently paid additional payments to reflect their work patterns as follows:

Contractual & weekend overtime	Basic pay plus 50%
Non-contractual overtime	Basic pay plus 33%
Saturday and Sunday working	Basic pay plus 50%
Bank Holiday working	Basic pay plus 50%, plus time off in lieu

Evening work (8pm to 10pm) Basic pay plus 25%
Night work (10pm to 6am) Basic pay plus 50%
(Please note that overtime and enhanced rates of pay are currently under review)

Fees

The council makes a contribution of up to £35 towards the membership of a professional body to support the continuous professional development of an employee.

Returning Officer fees are paid for statutory duties that are not part of the post holder's substantive role.

Pension Contributions

All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme. The level of contribution is linked to salary levels and ranges from 5.5% to 12.5% of salary. The employee contribution rate has significantly increased from April 2014.

The council also makes employer contributions to the scheme and these amounts are determined externally by the pension scheme actuary.

The council's policy is not to grant augmented pension benefits to any employee under the Local Government Pension Scheme.

Pay Protection

The council has a pay protection policy where employment on less favourable terms is offered to an employee as an alternative to redundancy. In such circumstances an employees pay is frozen at their current level for up to three years.

Redundancy Payments

The method of calculating redundancy payments is based on the statutory redundancy scheme as set out in the Employment Rights Act 1996 (ERA). The council has also introduced a cap on the amount of pay used to calculate redundancy payments at twice the statutory weekly earnings ceiling. The cost of redundancy should normally be recovered within an 18-month period through salary savings. All redundancy payments require the prior approval of the Executive Member and the Head of Human Resources.

Compromise Agreements

It is the council's policy not to enter into compromise agreements, unless, exceptionally, it is in the council's overall interests to do so.

Pay Policy Review

The Council's Pay Policy will be kept under regular review and the pay policy statement will be refreshed and considered by full Council each year.

January 2015