

## ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	1 MARCH 2016
SUBJECT:	MEDIUM TERM FINANCIAL PLAN AND BUDGET 2016/17
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
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LOCAL MEMBERS:	n/a

### A - Recommendation/s and reason/s

#### 1. MEDIUM TERM FINANCIAL PLAN AND 2016/17 BUDGET

##### 1.1 Purpose

The Executive is required to agree a number of key matters in respect of the 2016/17 budget. This will then allow the final recommendations to be presented to the Full Council at its meeting on 10 March 2016. The matters requiring agreement are:-

- The Council's Revenue Budget and resulting Council Tax for 2016/17; and to note;
- The Council's updated Medium Term Financial Strategy;
- The use of one off funds to support the budget.

##### 1.2 Summary

This paper shows the detailed revenue budget proposals requiring final review and agreement for 2016/17 and the resulting impact on the Isle of Anglesey County Council's Budget. These are matters for the Council to agree and the Executive is asked to make final recommendations to the Council.

It also updates the Medium Term Financial Strategy which provides a context for work on the Council's future budgets.

#### 2. REVENUE BUDGET AND COUNCIL TAX 2016/17 RECOMMENDATIONS

The Executive is requested:-

- To note the formal consultation meetings on budget and consider the resulting feedback, as outlined in Section 2 and Appendix 1;
- To note the equalities implications summary on the budget proposals in Section 11;
- To agree that, within the proposed budget, schools are given an increase in budget which meets the Welsh Government's pledge for schools funding, as detailed in paragraph 4.3;
- To agree the final details of the Council's proposed budget, investments, pressures and savings as shown in paragraph 10 and Appendix 5;
- To note the Section 151 Officer's recommendation on the minimum General Fund Balances be maintained at £5m, the confirmation of the robustness of the estimates underlying the proposals and the adequacy of the General Reserves in the context of other earmarked reserves;
- To recommend a net budget for the County Council and resulting Council Tax to Council, noting that a formal resolution, including the North Wales Police and Community Council Precepts, will be presented to the Council on the 10 March 2016;

- To authorise the Section 151 Officer to make such changes as may be necessary before the submission to the Council;
- To agree that any unforeseen pressures on demand led budgets during the financial year will be able to draw upon funding from the general contingencies budgets;
- To recommend a 3.5% Council Tax increase to full Council.

**B - What other options did you consider and why did you reject them and/or opt for this option?**

A number of options were considered whilst formulating the final budget proposals. The proposed budget ensures that the Council sets a balanced budget whilst taking into account the views obtained during the consultation process and the views of the Scrutiny Committee.

**C - Why is this decision for the Executive?**

The Constitution requires the Executive to publish its final budget proposal prior to its consideration by the Council.

**CH - Is this decision consistent with policy approved by the full Council?**

N/A

**D - Is this decision within the budget approved by the Council?**

N/A

**DD - Who did you consult?**

**What did they say?**

1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	The CE has been part of the budget setting process and is in agreement with the report and supports the final budget proposal
2	<b>Finance / Section 151</b> (mandatory)	n/a – this is the Section 151 Officer's report
3	<b>Legal / Monitoring Officer</b> (mandatory)	No Comment
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	

**E - Risks and any mitigation (if relevant)**

1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	

**F - Appendices:**

Appendix 1 – Summary of the Results of the Consultation Process  
 Appendix 2 – Breakdown of the Proposed Savings  
 Appendix 3 – Budget Pressure Report – Head of Children's Services  
 Appendix 4 – Budget Pressure Report – Head of Adult Services  
 Appendix 5 – Summary of Proposed Revenue Budget 2016/17 by Service

**FF - Background papers (please contact the author of the Report for any further information):**

## 1. INTRODUCTION AND BACKGROUND

- 1.1. The following report sets out the 2016/17 revenue budget proposals and it is one of a set of reports which provides an overall picture of the financial position of the Council and ensures that the Council funding is allocated to meet its priorities. The other reports which form part of the set of reports relate to the Council's Capital Programme for 2016/17, the Council's Treasury Management Strategy, Fees and Charges and the Use of Council Reserves.
- 1.2. The revenue budget and the continued need to identify revenue savings has been driven by the Medium Term Financial Strategy. The Strategy, approved by the Executive Committee in February 2015, can be summarised as follows:-

**Table 1**  
**Medium Term Financial Plan 2016/17 to 2019/20**

	2016/17 £'m	2017/18 £'m	2018/19 £'m	2019/20 £'m
Net Revenue Budget B/F	124.6	121.9	119.4	117.8
Budget Pressures & Inflation	2.3	2.6	2.7	2.7
<b>Revised Budget</b>	<b>126.9</b>	<b>124.5</b>	<b>122.1</b>	<b>120.5</b>
Aggregate External Finance	(89.6)	(86.1)	(83.5)	(81.0)
Council Tax	(32.3)	(33.3)	(34.3)	(35.3)
<b>Total Funding</b>	<b>121.9</b>	<b>119.4</b>	<b>117.8</b>	<b>116.3</b>
<b>Savings Required</b>	<b>5.0</b>	<b>5.1</b>	<b>4.3</b>	<b>4.2</b>
<b>Main Assumptions</b>				
Pay Awards	1%	1%	1%	1%
General Inflation	1.25%	1.50%	1.50%	1.50%
Reduction in AEF	-4.5%	-3%	-3%	-3%
Increase in Council Tax	4.5%	3%	3%	3%

- 1.3. The Executive's initial budget proposals (Executive 9 November 2015) set the standstill budget at £126.7m and, based on a Council Tax rise of 4.5%, the budget gap was identified as £5.57m with proposed savings of £3.91m identified. This would have resulted in additional savings of £1.66m having to be identified.

## 2. THE COUNCIL'S CONSULTATION

- 2.1. The Executive approved the initial budget proposals at its meeting on 9 November 2015 and then embarked on a seven week public consultation. Citizens, partners, stakeholders and staff were asked to respond to the consultation by various means, including:-

- Online surveys
- Writing or e-mailing the Council
- Attending one of 13 drop in sessions with the Council Leader

- 2.2. In addition, the Council also undertook:-

- Focus group sessions for the under 25s;
- An online survey for the under 25s;
- A session for a number of stakeholders and partners, including the Police, the Fire & Rescue Service, Health Board, Town and Community Councils and 3<sup>rd</sup> sector organisations.

- 2.3. The results of the consultation process are attached as Appendix 1.

### 3. REVISED STANDSTILL BUDGET 2016/17 AND THE BUDGET GAP

- 3.1. Since the completion of the initial budget proposals, further work has been undertaken to review and revise the standstill budget for 2016/17. This has resulted in a number of changes, which are detailed below:-

**Table 2**  
**Adjustments to the Standstill Budget**

	£'m	£'m
<b>Standstill Budget as at 16 November 2015</b>		<b>126.701</b>
Correction of NI Budgets – originally standstill included a contingency of £1.5 million	(0.202)	
Senior Education Officer – inclusion of additional post as previously agreed	0.083	
Reduction in travelling budgets – following revised conditions of service	(0.094)	
Increase in Cost of Change Contingency	0.088	
Reduction in Fire Levy – following final confirmation	(0.010)	
Other Miscellaneous Adjustments	0.073	
Total Adjustments to Standstill Budget		(0.062)
<b>Revised Standstill Budget as at 7 March 2016</b>		<b>126.639</b>

- 3.2. The provisional settlement was received on 9 December 2015, but the final settlement will not be received until 9 March 2016. However, the Welsh Government officials have indicated that any movement between the provisional and final settlement will be small and that any adjustment required will be accounted for by making a small contribution to or from general balances.
- 3.3. The provisional settlement figure showed a reduction in funding of 2% which gave an Aggregate External Finance (AEF) figure of £91.925m. Following a review by the Welsh Government, the AEF was revised upwards to £91.928m. In order to fund the standstill budget, it would require the Council Tax income to be £34.711m, which equates to a rise of 11.88%. If the Council Tax was increased by 4.5%, the Executive Committee's initial proposal, then the total funding available (AEF & Council Tax) would be £124.348m, a shortfall of £2.291m.

### 4. SAVINGS

- 4.1. In its initial budget proposals, the Executive Committee had identified £3.913m of potential savings. The proposed savings have been subject to further review by the Finance Managers, Accountants and the Service Managers. The review identified that £2.955m are achievable within the year. A summary by Service is shown in Table 3 below and by Savings category is shown in Table 4 below (a full breakdown is attached as Appendix 2):-

**Table 3  
Summary of Savings Proposals by Service**

<b>Service</b>	<b>Proposed £'000</b>	<b>To be Implemented £'000</b>	<b>Not Possible to Implement £'000</b>
Adults	475	335	140
Children	168	143	25
Housing	99	74	25
Education	1,279	1,267	12
Culture	41	41	0
Leisure	145	103	42
Economic & Maritime	44	44	0
Highways & Transport	490	490	0
Property	135	85	50
Waste	414	155	259
Public Protection	67	67	0
Planning	44	44	0
Council Business	76	56	20
Transformation	59	4	55
Resources	127	72	55
Authority Wide	250	0	250
<b>Total</b>	<b>3,913</b>	<b>2,980</b>	<b>933</b>

**Table 4  
Savings Summary by Category**

<b>Savings Category</b>	<b>Proposed £'000</b>	<b>To be Implemented £'000</b>	<b>Not Possible to Implement £'000</b>
Cessation / Transfer of Service	598	528	70
Delete vacant / unrequired posts	397	309	88
General Efficiency Savings	227	187	40
Reduction in School Budgets	1,000	988	12
Income Generation	322	273	49
Reduction in Grants Awarded	383	125	258
Remove Unused Budgets	292	257	35
Re-tendering / procurement savings	160	130	30
Service Transformation	534	183	351
<b>Total</b>	<b>3,913</b>	<b>2,980</b>	<b>933</b>

4.2. The review of the proposed savings has thoroughly considered whether the savings can be achieved and the reasons for deciding that savings cannot be implemented varied but can be summarised into the following categories:-

- A decision taken by the Executive reduces or prevents the saving from being made (Sale of Garreglwyd, 3 weekly refuse collection);
- The saving was linked to the voluntary redundancy process and has been included in the overall savings figure from voluntary redundancies (see paragraph 4.3 below);
- The need to comply with the requirements of the settlement reduces the sum that can be removed from the budget (Schools budgets and the need to increase in cash terms by 1.85%);
- Proposal was to increase income budgets in 2016/17 even though the income target was not being achieved in 2015/16;
- There was little possibility of implementing the savings target within the financial year and further work was required (reductions in contributions to the 3<sup>rd</sup> Sector);
- Reductions in associated grants offset any potential savings (Single Environment Grant).

- 4.3. As part of the settlement, there is a requirement to ensure that school budgets increase in cash terms by 1.85%. The standstill budget for 2016/17 was set at £40.455m which is £1.705m higher in cash terms than the 2015/16 budget and £0.988m higher than the cash increase requirement expected by the Welsh Government. The budget pressures which have been funded include the following:- Pay Increments and Pay Awards - £503k, Teachers Pension Contribution Increase - £183k, National Insurance Contributions - £691k, Increase in Pupil Numbers - £207k, Other Budget Adjustments - £121k.
- 4.4. In addition to the proposed savings, the Council also requested applications for voluntary redundancy. Of the 95 applications received, 32 were accepted and the staff will be released over the forthcoming months. The reduction in staff numbers will result in additional savings of £400k.
- 4.5. Since the completion of the initial budget proposals, the budget for the Gwynedd and Môn Partnership Unit has been finalised and Anglesey's contribution will remain at the 2015/16 level. The standstill budget for the Partnership was £80k higher than the contribution and this difference has now been incorporated into the savings package.
- 4.6. Therefore, taking into account the savings identified, the revised budget position is shown in Table 5 below:-

**Table 5  
Revised Budget Position After Savings**

	£'m	£'m
<b>Standstill Budget as at 7 March 2016</b>		<b>126.639</b>
Identified Savings	(2.980)	
Gwynedd and Môn Partnership Unit	(0.080)	
Savings Achieved through Voluntary Redundancy	(0.400)	
		(3.460)
<b>Revised Revenue Budget after Savings</b>		<b>123.179</b>
Aggregate External Finance		(91.928)
<b>Budget Requirement to be Funded by Council Tax</b>		<b>31.251</b>

- 4.7. To fund the revised revenue budget of £123.179m, it would require an increase in the Council Tax of 0.73%. However, the original budget proposal was to increase the Council Tax by 4.5%. At this level, the funding available would exceed the Budget Requirement by £1.169m.

## 5. PRESSURES AND GROWTH

- 5.1. Setting the Council Tax increase at 4.5% would allow for some growth pressures to be funded. The two main areas of growth pressure surround Children's Services and also the Council's ability to respond to recommendations made by external regulators and consultants commissioned by the Council.
- 5.2. Included as Appendix 3 is a report prepared by the Head of Children's Services which outlines the increased demand on the service and the impact on the budget. The Executive is requested to consider the contents of the report and whether this budget pressure should be supported through increased funding in the 2016/17 budget.
- 5.3. Attached as Appendix 4 is a report prepared by the Head of Adult Services which outlines the cost pressures which the service will experience during 2016/17. The Executive is requested to consider the contents of the report and whether this budget pressure should be supported through increased funding in the 2016/17 budget.
- 5.4. The Council commissioned an external consultant to review the ICT Service. The review made a number of recommendations designed to improve the Service and the majority have been actioned without additional resources. However, in order to continue with the implementation of the action plan, the Head of Service has requested an additional £50k in order to increase and secure staffing resources. The Executive is requested to consider this request.

## 6. COUNCIL TAX

- 6.1. The Council's Band D Council Tax charge was £1,025.57 for 2015/16 which is the 8th lowest in Wales. More importantly is how does Anglesey's level of Council Tax compare to the other 5 North Wales authorities? The comparison is shown in Table 6 below:-

**Table 6**  
**Comparison of Council Tax Band D Charges for North Wales Authorities**

Authority	Band D Charge 2015/16 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,025.57		
Gwynedd	1,161.07	+ 135.50	+13.2%
Conwy	1,013.11	- 12.46	-1.2%
Denbighshire	1,142.22	+116.65	+11.4%
Flintshire	1,025.27	-0.30	0.0%
Wrexham	994.23	-31.34	-3.1%

- 6.2. The Council Tax budget for 2015/16 (after adjusting for the change in the Council Tax Base) was £31.024m. Therefore, each 1% increase generates an additional £310,000. The Executive Committee's initial proposal was to increase the Council Tax by 4.5% which would generate an additional £1.396m and give a band D charge of £1,071.72, an increase of £46.15 (£0.89 per week).
- 6.3. As stated in paragraph 4.7, the current revenue budget of £123.179m could be funded by a 0.73% increase in Council Tax. This would increase the Band D charge to £1,033.02, an annual increase of £7.45 or £0.14 per week. The impact of each 0.5% rise from 1% to the Executive's initial budget proposal of a 4.5% increase is shown in Table 7 below:-

**Table 7**  
**Impact of Varying Increases in the Level of Council Tax for 2016/17**

Percentage Increase	Change in Overall Council Funding £	Surplus Above 2016/17 Revised Base Budget £	Band D Charge 2016/17 £	Increase from 2015/16 Charge £	Weekly Increase from 2015/16 Charge £
4.5%	+ 1.396m	+1.079m	1,071.72	46.15	0.89
4.0%	+ 1.241m	+0.924m	1,066.59	41.02	0.79
3.5%	+1.086m	+0.769m	1,061.46	35.89	0.69
3.0%	+0.931m	+0.613m	1,056.33	30.76	0.59
2.5%	+0.776m	+0.458m	1,051.20	25.63	0.49
2.0%	+0.620m	+0.303m	1,046.07	20.50	0.39
1.5%	+0.465m	+0.148m	1,040.94	15.37	0.30
1.0%	+0.310m	0.000m	1,035.81	10.24	0.20

- 6.4. The Minister's written statement, which was issued alongside the provisional settlement, also includes the following reference to the setting of Council Tax:-

*"...For 2016-17, I expect every Authority to take account of all the available funding streams in considering service provision and setting their budgets and Council Tax. Whilst the Revenue Support Grant is the largest single source of funding for Local Authorities, it is not the only one.*

*In setting council tax levels for 2016-17, I urge Local Authorities to think seriously about the funding challenges they face and to balance this with a consideration of the financial burden on households. We offer considerable flexibility to Authorities in Wales which is not available to their counterparts in England...."*

**6.5.** It should be noted that the level of Council Tax rise should reflect the Council's income requirements and the Minister's statement detailed above must also be taken into consideration. However, it should also be noted that the increase for 2016/17 sets the base position for 2017/18 and the lower base position can only be recovered through higher increases in 2017/18.

## **7. GENERAL AND SPECIFIC RESERVES, CONTINGENCIES AND FINANCIAL RISK**

**7.1.** The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget. The key financial risks are highlighted below:-

- Any projected overspend in 2015/16 has direct implications for the 2016/17 budget, both in terms of assessing the robustness of individual services' budgets and in the adequacy of the level of general reserves. A net overspend position of £470k is currently forecast for the 2015/16 budget, with some services experiencing an increased demand for services. The current budget position has been an important factor when considering final proposals in terms of both savings and contingencies;
- Savings proposals in this report amount to £3.46m and will need to be delivered in order to achieve a balanced budget for 2016/17. Allowance has been made, where appropriate, for implementation costs, but there is an element of financial risk around full delivery of all savings, with the risks varying considerably between individual proposals. Realistic part year assumptions have been made where implementation cannot be immediate, but there is an inherent financial risk around achieving changes in time to deliver this type of planned saving;
- Inflationary increases have only been applied to employee costs and any ongoing contractual commitments. A 5% increase has been applied to all non-statutory income budgets.

**7.2.** In terms of any contingencies and reserves, the Section 151 Officer needs to review these in their totality in conjunction with the base budget itself and the financial risks which face the Authority. In addition, the review should incorporate a medium term view where needed and should take into account key developments that may impact on the need and use of one off resources.

**7.3.** A robust view is being taken on managing budget risks and protecting the financial health of the Council at this time. This is particularly the case when one off funds need to be adequately protected to fund future strategic/transformational changes as opposed to funding significant overspends on the base budget itself.

**7.4.** Account has been taken of the need to keep the immediate reductions in spending and the resulting impact on services to a minimum, but this must be balanced against the need to ensure the medium and long term financial stability of the Council, and for savings to be implemented over the coming years in a phased and structured way. In addition, there is always some risk of unforeseen items of expenditure or overspending because of a more general pressure on a service budget, and reserves must also be adequate to absorb these pressures.

**7.5.** As at the 31 March 2015, the Council's General Reserves stood at £7.193m, however, the Council budget resolution in March 2015 allowed the Executive to utilise up to £500k of general balances to deal with priorities that arise during the year. It is likely that this sum will be required. As a result, the General Reserves balance is £6.693m which is equivalent to 5.32% of the 2015/16 net revenue budget, 7.4% if the delegated schools budget is excluded. The level of general reserves held is a matter for the Council to decide, however, as a general rule of thumb the level of reserves should be at least 5% of the annual revenue budget (excluding delegated schools budgets). Based on the 2015/16 revenue budget, this would require a level of general reserves of £4.5m.



- 7.6. In times of financial austerity, budgets are reduced and do not have the capacity to deal with increases in demands particularly in those services which have less control over demand e.g. Social Services. There is, therefore, an argument that the need for general reserves is greater because the risk of budget overspending increases and the Council will require a greater level of financial resources to minimise the risk.
- 7.7. In my professional opinion, reducing the level of general reserve to £4.5m would be an unacceptable risk at this point given the ongoing uncertainty over future funding but there is scope to reduce the level of general reserves. However, I am not recommending that reserves should be used as a means of making up a budget shortfall in a particular year, this would merely postpone the need to make budget cuts to the next financial year.
- 7.8. There is, however, scope to use a level of the reserves to provide I.T. support for business process transformation. Further work will be required to determine the level of funding required and each individual business case would have to show that the project delivers future cashable savings. A sum of £1 million could be released from general balances whilst still maintaining a prudent level of general balances.
- 7.9. A full report on General and Earmarked Reserves is included as a separate item on the Committee Agenda.
- 7.10. The budget includes £1.831m as earmarked and general contingencies. The items to be funded from these contingencies include improvements to IT systems, potential future redundancy costs, costs relating to the continued operation of Haulfre Residential Home and additional fixed term posts required to support the Change Programme. In addition, a sum of £310k has been allocated as a general contingency which will be used to meet any unforeseen costs which arise during the year.

## 8. ROBUSTNESS OF ESTIMATES

- 8.1. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and the adequacy of the proposed financial reserves.
- 8.2. Budget estimates are based on assumptions of future expenditure and income and contain an element of assumption risk. The impact of this risk can be mitigated through contingency plans, contingency budgets and financial reserves.
- 8.3. The robustness of budget estimates is not simply a question of whether they are correctly calculated. In practice, many budgets are based on estimates or forecasts, and there may be an element of risk as to whether plans will be delivered, or targets achieved. Different risks to the budget are considered in turn below:-
- **Inflation Risk** – This is the risk that actual inflation could turn out to be significantly different to the assumption made in the budget. For 2016/17, inflation has only been allowed for pay awards (1%) and any contractual agreements which require an inflationary uplift. The current level of inflation is low, at just above 0% and is not expected to rise significantly over the period to which the budget relates and, as a result, the risk of inaccuracies in the inflation assumptions is low;
  - **Interest Rate Risk** - Interest rates affect a single year's revenue budget through the interest earned - i.e. an interest rate rise is beneficial. The Authority's Treasury Management Strategy requires investments to be made on the grounds of security and liquidity of the investment as the first consideration with investment returns being a lower priority, therefore, the budget is not reliant on high investment returns. Interest rates continue at a historical low and are not likely to begin increasing until 2017. Therefore, the interest rate risk is considered low and, as in previous years, this is a compensating risk for inflation risk because if one increases the other is likely to increase also;

- **Grants Risk** - These are risks attached to the large number of specific grants from WG, Europe or other bodies which support a good proportion of Council Spending. Some of these may be reduced substantially or cut altogether; we do not have a complete picture of all these and we will not even have one as the financial year begins. While the immediate response is to say that when the grant ceases, so must the associated expenditure, there is a risk that this may not always be possible. It may not be possible when contract terms mean the expenditure cannot be cut as quickly as the income, or involves unfunded severance costs. It may not be possible if the activity funded turns out to be so important to the delivery of the Council's own Priorities that the Council decided it must continue the expenditure. Efforts to mitigate this risk are to ensure we have the best information available on each grant: but significant changes during the year cannot be entirely ruled out;
- **Income Risks** – The budget is based on securing an overall 5% increase in fees, and a number of services have assumed rises up to 5%. If the elasticity of demand for Council Services is such that volume falls, and income targets are not achieved, that may cause overspending on net budgets. This will require close monitoring of the net budget position and, if necessary, cutting back on spending to match reduced income;
- **Optimum Risk** – Probably the greatest risk in current circumstances is that the Authority, Members and Officers, have been over-optimistic in the savings that will be achieved. If these projects should run into difficulties and fail to achieve the savings taken out of the budget, significant overspendings could occur;
- **Over-caution Risk** – This is the opposite of optimum risk: the danger that our budgets have been drawn up with too much caution, and so are more than is required;
- **Savings Risks** – The revenue budget includes £3.35m of revenue savings and although each proposal has been assessed and the saving sum adjusted to take account of the proposed implementation date, there is a risk that not all proposals will achieve the planned date. This is particularly the case for the proposals that involve significant service transformation, staff redundancies, income generation or changes to existing contracts. Any delay from the planned start date will cause pressure on the revenue budget;
- **Salary and Grading Risks** – The job evaluation process came to an end during 2015/16 and all staffing budgets are based on the new pay grades. Some applications for a reassessment of the grades have been submitted but any increased costs will be funded from existing service budgets, thus minimising the risk to the 2016/17 budget;
- **Staff Redundancy Costs** – The budget proposal includes £400k of savings arising from voluntary redundancies. Following the release of some staff, reorganisations will be required within services, these processes may be subject to delays or may not release the anticipated savings. In addition, some proposals may require additional redundancies. To mitigate the risk, a salary and grading contingency of £500k has been included in the budget.

8.4. The Section 151 Officer is, therefore, of the view that the budgets are robust and deliverable.

## 9. SCRUTINY COMMITTEE

9.1. As stated in paragraph 4.7, the total of AEF and Council Tax at a level of 4.5% exceeds the standstill budget by £1.169m. This information was presented to the Scrutiny Committee for consideration at its meeting on 1 February 2016. The Committee was asked to consider the following questions:-

- Whether the savings identified as achievable in 2016/17 are maximised bearing in mind that by maximising savings it allows the Council greater flexibility to respond to service pressures and future savings requirements;

- Whether Members support a recommendation, to be considered by the Executive Committee, that a sum is allocated from general reserves to fund business process changes designed to release further efficiency savings which can be used to respond to service improvements / pressures;
- The level of Council Tax moving forward bearing in mind the matters noted in this report, the contribution that Council Tax makes to the overall revenue of the Council and the financial pressures likely to be faced by the Council from 2017/18 onwards;
- The level of protection afforded to schools' budgets bearing in mind the need for schools to contribute to the overall savings required by the Council;
- If a final decision is taken by the Executive to implement efficiency savings to the Schools' budget, Members are asked to comment on whether the levels of reserves in the primary sector should influence the decision as to how the savings are allocated across the sectors.

**9.2.** The response of the Scrutiny Committee is included as a separate report on this Committee's agenda.

## **10. PROPOSED BUDGET AND COUNCIL TAX LEVEL**

**10.1.** Having considered the funding available and the increase in the AEF since the initial budget proposals were drawn up, having considered the results of the consultation process and the response of the Scrutiny Committee and taking into account subsequent decisions of the Executive, that the final budget proposal incorporates the following changes from the initial budget proposal:-

1. That the standstill budget for 2016/17 is set at £126.639m.
2. That efficiency savings of £3.46m are implemented to include savings generated through voluntary redundancies and a reduction of £0.988m in the school's delegated budget.
3. That £400k of central education funding is used to lessen the impact of the reduction in the school's budget for 2016/17 and allow schools time to reduce costs through better procurement and by reviewing non teaching costs. This reduces the proposed saving on the School's budget to £600k and reduces the overall savings package to £3.06m. In addition, £100k of the non delegated element of the school's budget is transferred back into the delegated budget and allocated to schools through the funding formula, thus reducing the impact on schools by a further £100k in 2016/17.
4. That the budget for Children's Services is increased by £500k to reflect the increasing demands on the service.
5. That the budget for Adult Services is increased by £100k to reflect rising cost pressures within the service and that a further £200k be held as a contingency to fund the loss of respite care income should the proposed change in the charging policy be implemented.
6. That the budget for IT Services is increased by £50k in order that they can fulfill the action plan arising from the external review.
7. That the Council Tax for 2016/17 is increased by 3.5%.
8. That the remaining balance of £8,562 is added to the general contingency.
9. That a sum of £1.0 million is allocated from general reserves to fund the cost of business process transformation. Each individual bid would be assessed on the basis of the future savings it provides or the improvement to service delivery resulting from the investment.

**10.2.** Table 8 below shows the available and required budget funding after taking into account the proposals set out in the initial budget proposals and the subsequent amendments set out in paragraph 10.1 above.

**Table 8  
Proposed Budget Requirement and Funding 2016/17**

<b>Budget Requirement</b>	<b>£'m</b>
Final Budget 2015/16	124.646
Inflation and Re-Pricing Adjustments	1.993
<b>Base Budget 2015/16 (before Investments / Savings)</b>	<b>126.639</b>
Budget Savings	(3.060)
Investment in Service Pressures	0.650
Increase in Contingency Budgets	0.208
Use of Reserves	0.400
<b>Base Budget 2016/17</b>	<b>124.037</b>
Final AEF	91.928
Council Tax with increase of 3.5%	32.109
<b>Total Funding</b>	<b>124.037</b>

10.3. The increase of 3.5% represents an increase of £35.89 per annum or £0.69 per week on a Band D Property.

10.4. A full breakdown of the proposed budget by Service is attached as Appendix 5.

## **11. EQUALITIES IMPACT ASSESSMENT**

11.1. In delivering its services, the Council has to be mindful of its duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 to assess the impact of key financial decisions on protected groups and have due regard to the result of such assessments.

11.2. As part of the 2015/16 budget-making process, services were requested to carry out an initial equality impact assessment of each proposal. Guidance was included with the budget proforma and further guidance on carrying out EIA's is available on the Council's intranet site. Commentary on individual proposals is contained within the appendices. Proposals which are likely to have significant impact will need to be monitored closely by the service.

## **12. UPDATING THE MEDIUM TERM FINANCIAL STRATEGY**

12.1. The initial budget proposals presented to the Executive on 16 November 2015 were based on the Medium Term Financial Strategy approved by the Executive in February 2015 (see Table 1).

12.2. The significant difference between the settlement that was anticipated in the November 2015 and the outcome of the provisional settlement has had a significant impact on the Medium Term Financial Strategy. This situation is not unique to Anglesey and the majority of Councils in Wales had planned for a larger cut in the AEF than actually happened. The lack of certainty over future settlements brought about by the Assembly elections in May and the uncertainty over the overall economic position for the UK makes the completion of a Medium Term Financial Strategy with any degree of certainty and accuracy very difficult.

12.3. The WLGA has undertaken some work on the likely future settlements for local government in Wales based on their analysis of the information contained in the Autumn Spending Review and the Welsh Government's budget for 2016/17. Much is dependent on the level of protection which the future Welsh Government will give to other areas of spending compared to local government. Their analysis shows a range of possibilities from a 3.2% growth in the AEF over 3 years if local government budgets are protected to a 7.5% cut over the same period if other areas are strongly protected.

12.4. Table 9 below gives an indication of the likely savings requirement if it is assumed that net expenditure grows by 2% per annum, that the Council Tax rises by 4% per annum and that the AEF is reduced by 2% in 2017/18, 2.6% in 2018/19 and 2.7% in 2019/20.

**Table 9**  
**Potential Savings Requirement 2017/18 – 2019/20**

	2017/18 £'m	2018/19 £'m	2019/20 £'m
Net Revenue Budget B/F	124.3	123.7	122.7
Less funded by reserves in previous year	(0.4)	0.0	0.0
Budget Pressures & Inflation	2.5	2.5	2.5
<b>Revised Budget</b>	<b>126.4</b>	<b>126.2</b>	<b>125.2</b>
Aggregate External Finance (AEF)	(90.0)	(87.7)	(85.3)
Council Tax	(33.7)	(35.0)	(36.4)
<b>Total Funding</b>	<b>123.7</b>	<b>122.7</b>	<b>121.7</b>
<b>Savings Required</b>	<b>2.7</b>	<b>3.5</b>	<b>3.5</b>

12.5. An update on the Medium Term Financial Strategy will be presented to the Executive as information on future settlements becomes clearer.

### 13. RECOMMENDATIONS

The Executive is recommended to approve the final budget proposal as set out in Paragraph 10 to the full Council meeting on 10 March 2016.

**Response to the Executive's Initial Budget Proposals – Meeting the Challenge 2016**

**ISLE OF ANGLESEY COUNTY COUNCIL / CYNGOR SIR YNYS MÔN**

**January 2016**

**Analyst – Alwyn Williams, Performance Analyst**

**Author – Gethin Morgan, Corporate Planning, Programme and Performance Manager**

**Head of Service – Scott Rowley, Head of Corporate Transformation**

**1. Introduction**

1.1. The Council recently consulted on the Executive's initial budget proposals – 'Meeting the Challenge' between the 16<sup>th</sup> November and the 31<sup>st</sup> December, 2015. This 7 week consultation period focused on in excess of 80 savings proposals put forward by services and challenged by members. They were split into 6 efficiency themes as outlined in the Council's 2014-2017 Efficiency Strategy which were:

- Ensuring the way we work provides good value for money
  - Reducing the cost of Management, Democracy and Bureaucracy
  - Transforming services we're legally bound to deliver; ensuring that they're modern, effective and efficient
  - Work with others to save money and getting the best out of our staff
  - Increase Income to the Council
- Challenge whether we should provide non-essential and non-statutory services where others also provide them or where others could provide them

1.2. Options considered a vast variety of savings and the internal challenge process resulted in proposals ranging from allocating advertising spaces on bins for local businesses to transporting waste to St Helens / Runcorn for recycling as opposed to sending to landfill in Llanddulas. These proposals were marketed in a variety of ways; from the traditional local press articles, to the promotion on the home page of the Council's website to a stream of tweets and posts via social media and e-mail. All were aimed at informing and enthusing citizens and staff to engage and respond to the initial proposals.

1.3. Citizens, partners and staff were thereafter asked to respond to the consultation by various means including:

- Two Online surveys on our website
- Survey for all
- Survey specifically for young people (see below)
- Emailing or writing in to us
- Attending one of the 13 drop in sessions with the Council Leader

Suggestion boxes for staff located at our reception areas

1.4. In addition to the above, the council also undertook

- 7 focus group sessions for the under 25s in all secondary schools, young farmers forum and homeless accommodation
- An online survey designed in partnership with Llais Ni for the under 25s
- A session held at the Council for a number of Partnerships organisations such as Police, Fire & Rescue, Health, Town and Community Councils, 3<sup>rd</sup> sector organisations and other representative bodies
- A session held with Anglesey Community Voice at Gwelfor Community Centre with the 65+

1.5. This consultation followed previous consultation events held in late 2013 and 2014 where around 1400 responses have already been collated when considering our previous budget proposals for 2015/16.

## 2. Results

2.1. The overall response to the 16/17 initial budget proposals over a 7 week period has been fairly positive. Approximately 450 responses (0.65% of population) were received from the various channels outlined above with respondents engaging across all means.

2.2. The most successful means of engagement was the face to face focus groups and meetings with approximately 65% of all respondents in attendance. This was followed by approximately 30% responding via online surveys and the rest via traditional means. The drop in sessions across the island in the 13 various locations were deemed to be the least successful with a couple of sessions gaining zero responses.

2.3. The main areas of focus of those responses were as follows and can be visualised using the wordle below in pic 1:

1. Waste Bin Collections and Bulky Waste Collection
2. Car Park Fees
3. Leisure Centre Cafes
4. AONB posts
5. Cuts in Education Funding
6. Grant funding cuts
7. Reduction in Management and Administration
8. Future of In-House Care Homes



Pic 1.

2.4. In general, the respondents provided a balanced consideration of the difficult task facing the Council and the remainder of this report provides a precis of the responses received:

#### **2.4.1. Waste Bin Collections and Bulky Waste Collections**

The majority of the responses were against the changes to fortnightly bin collections. However, if needed to change the inference could be made that many would be more content with a 3 week collection period as opposed to 4. Complaints seem to focus on the fact that bins were full after 2 weeks which means additional recycling requirements would be needed to mitigate such a change and the concern that the removal of free bulky waste collection will result in fly tipping and an additional cost to the council because of this.

The responses below can summarise the general feelings towards the proposed cuts:

*“Please don’t cut bin collections beyond the existing fortnightly bin collection. The main problem is not that my bin is necessarily full every fortnight, but that if I miss a collection due to being on holiday or whatever, the actual collection interval is double the stated interval. So I could end up going 8 weeks without a bin collection, which is clearly unacceptable”*

*“A 3 weekly black bin collection would be OK providing families with nappies (young children under the age of 4) are provided for...However a 4 week or smaller bin would not be ok (even with additional bins) for us...I would also propose a 4 week collection of green bins during the winter as most of the fill is bio-degradable and can wait a few more weeks.”*

*“With respect to the proposals for waste collections every 3 or possibly 4 weeks and possible reduction in the size of waste bins...I protest in the strongest possible terms that this simplified approach is not acceptable and that it has been very poorly thought out as a ‘knee-jerk’ reaction to improving waste targets and saving money...May I suggest that you consider looking at households themselves, the number of people at a given address, their ages and circumstances etc.”*

*“If we must change bin collections, we should change to every 3 weeks not every 4 weeks”*

*“I would be supportive of 3 weekly collections provided that we had larger recycling boxes...The council should stop green bin collections from 1<sup>st</sup> November/December to the end of February.”*

*“No to changing to 3 or 4 weekly bin collections. I have a big family and we run out of space for our rubbish even with 2 week bin collections”*

*“I understand that Anglesey are the only council to offer a free bulky waste system, and I feel like we should stay that way. I know there is a long waiting list, but if you educate people so that they know that we are fortunate to have this free service then they may be more understanding when it comes to waiting times.”*

*“We feel that free collection of bulky waste items should continue in order to avoid a significant increase in fly tipping, which itself would have associated costs”*

*There was an unanimous vote in the Anglesey Community Voice consultation event against a 4 weekly collection but with reservations on a 3 weekly collection. Some were concerned about those households that do not recycle and also those with large families and full bins after 2 weeks.*

#### **2.4.2. Car Parks Income**

Negative comments relating to increased car parking fees were received with a number stating that the fees will drive people away from town shopping or affect tourism.

The responses below can summarise the general feelings towards the proposed cuts:

*“You get more people using them if you reduced the cost – more people will use it for 30p/hour. Many people, myself included will not pay for car parks. I own a shop in Holyhead, the amount of complaints we hear about the price to park. More likely to entice visitors into towns by making it cheaper.”*

*“I completely disagree with car park charges, they are the reason our towns and high streets are so empty with businesses struggling to stay open. Why would somebody pay to park when they can go to a superstore and park for free?”*

*“Increasing car park charges is counterproductive in many areas, as it puts people off shopping in their local high street... and encourages people to park on the roads instead, causing additional congestion.”*  
*All 46 attendees at Anglesey Community Voice consultation event were not in favour to increase parking fees.*



### **2.4.3. Leisure Centre Café**

Of the comments received, the majority either questioned the need for a café or stated that they do not currently sell healthy food.

The responses below can summarise the general feelings towards the proposed cuts:

*“I wish that you consider going further than reviewing the menus and staffing hours. Is there a need to have a café in a Leisure Centre?”*

*“These certainly should not be subsidised by the council. Leisure centres are in towns where there are other food retailers so the cafes are not performing a vital service. They could be offered to private companies to run at no cost to the council.”*

*“There is no fruit or healthy options at the cafes, need more variety”*

*“Believe that the food is too expensive, especially for young people”*

### **2.4.4. AONB Posts**

There has been support for keeping the AONB funding in place with many stating the good work they do with volunteers in keeping the AONB clean and useable.

The responses below can summarise the general feelings towards the proposed cuts:

*“...we believe that the consequences of losing these posts will greatly outweigh the savings. The proposal underestimates the importance of the AONB to island and ignores the valuable contribution of volunteers to its maintenance”*

*“The AONB Officers currently run the Youth Rangers programme. My daughter has been involved in this for the last year...It has given her the chance to carry out a number of outdoor activities and interact with other teenagers, gaining considerable life skills”*

*“Reduction in the AONB workforce and loss of the volunteers would impact very significantly on a number of activities across the island, including footpath and maintenance work...gorse management...dry stone walling...habitat restoration...and beach cleaning”*

*“Their work is invaluable in helping to preserve the beauty of the coastal AONB and also encourages public access and tourism to some of the islands’ major attractions”*

### **2.4.5. Cuts to Education Budget**

This was seen as an important area of discussion in the Council Leader Drop-in Sessions as individuals felt that the education budget should be protected or there would be a knock on effect on attainment levels. This was also replicated in the cross-sector meeting where there was a request that if such reduction occurred, then it was asked whether it could be planned and structured over a number of years.

However, only a few comments against the cuts were received from the surveys and other sessions:

*“Continue to protect the Education budget. This is the most important function and is essential for the future of all Ynys Mon.”*

*“Education budget should be ring-fenced and not touched in any way – the education of our kids is so important for the future of this island and schools struggle as it is.”*

*“£1m cut in schools’ delegated budget is a significant amount particularly given the continuing cuts in external funding which contributes to school funding. For 2016/17 I would reduce delegated budgets to those schools with significant balances >£150k.”*

*“Concern that cuts could affect children’s education standards and attainment and need to be aware of past weaknesses and how far the council have come since Estyn intervention – and be aware that we don’t want to go back to that situation”*

#### **2.4.6. Grant funding cuts**

There has been a mixed response to the proposals to cut the various grants from the budget. Many comments agree with the cuts but there have been numerous letters in support of keeping the grants also. Some of the comments include:

*“We have had our grant cut consistently over the last few years and have had to fund raise constantly to keep our group open. The amount of the grant is directly relative to the quality of Foundation Phase education provided to the children in our care...Each time the grant is reduced, items have to be cut from the budget...there isn't really anything else we can do without.”* Benllech Playgroup

*“We believe that the Bureau can work with the Council to achieve efficiencies but we are concerned that direct cuts to core funding will reduce our capacity to manage the volunteers and to lever in specific grant funding...we are keen to contribute to the design of a future service model (however) we are concerned that cuts being proposed here may duplicate here may duplicate any cuts to core funding and weaken our ability to provide the quality service that we do across the island”* Chair of Ynys Môn Citizens Advice

*“I am aware that funding for the next financial year is likely to be reduced and that Anglesey County Council will understandably, be looking to make financial savings. I would like to ensure that you are aware of the important role North Wales Deaf Association play in contributing to the independence, protection, safety, confidence and ability to successfully carry out everyday tasks that otherwise would become impossible for many people with a sensory loss...I would strongly wish you to consider this beneficial partnership be continued in 2016 for the foreseeable future.”* In excess of 30 supporters of North Wales Deaf Association

*“Arts and education grants – shame, but understandable – support should be given to these to help them find income elsewhere”*

*“It is important to protect the Museum and Culture budget – these are important in terms of promoting a mentally-healthy society which takes an interest in history and culture...it may be reasonable to ask that any grant to voluntary organisations is matched 50/50 by the organisation from its own funds, to ensure that organisations have genuine support from the community”*

*“I agree with reducing grants to third sector organisations, however I disagree with a blanket cut for all third sector services as this places them at a competitive disadvantage for competing with the private sector.”*

#### **2.4.7. Reduction in Management and Administration**

Whilst the majority of comments agree with the need to cut management and administration roles and some asking for more cuts, it was clear that the under 25s felt concerned about job losses. Some of the comments include:

*“Disagree (with the cuts) the service won't be as effective”*

*“People will struggle to find jobs and become jobless”*

*“Will you find alternative work for people losing jobs?”*

*“Some services within the council have managers who only manage / are responsible for one or two staff. Savings could be made by having the Head of Service and one manager over more staff”*

*“Streamline middle management – units of less than 5 members should not require high cost managerial oversight as well as a head of service. There is too much duplication of managers across the authority with some sections compromising of one or two members of staff headed by a manager where perhaps what is required is simple supervision.”*

*“The council should look at reducing managerial roles which manage up to three people. These should be supervisory roles”*

#### **2.4.8. Future provision of In-House Care Homes**

Whilst the majority of the feedback from both the sessions and online responses didn't discuss this issue in great detail, the session held with Anglesey Community Voice believed that this was an issue for them.

Some of the concerns are listed below:

*There is a need for further information about the support available for people in their own homes, both tenants and home owners*

*Any decisions with regards to this need to be consulted upon with us*

*To help with independent living there is a need to modernise some council accommodation*

*There is not enough respite care for full time carers*

*What's happening with Garreglwyd and what happens if it closes?*

*Standard of care and build quality of Council run homes is better than private homes*

*People would like something similar to Penucheldre in rural locations*

## 2016/17 BUDGET SETTING

## APPENDIX 2

SERVICE	PROPOSED SAVINGS	TOTAL PROPOSED SAVINGS £000	
<b>Adults</b>	Electronic Homecare Management System	<b>7</b>	
<b>Adults</b>	Reducing Number of management Roles	<b>48</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Adults</b>	Reducing Administrative Roles	<b>22</b>	
<b>Adults</b>	Reducing Provider Unit Management Roles	<b>38</b>	
<b>Adults</b>	Review contracts for externally commissioned Day Services for Supported Learning Disability Clients	<b>28</b>	A review of the capacity in each day centre is to be undertaken to consider options to rationalise services This may not necessarily require a reduction in services - but may involve less services being available per day.
<b>Adults</b>	Re-tender supported living projects	<b>42</b>	There will be no substantive change to provision although new providers may be put in place.
<b>Adults</b>	In-house Day Care Services - Review and Rationalisation	<b>26</b>	There will be a need for an equalities impact assessment
<b>Adults</b>	Restructure management arrangements for Community Support Services	<b>43</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Adults</b>	Outsourcing In-house Supported Living	<b>31</b>	An equalities Impact assessment will need to be done.
<b>Adults</b>	Voluntary Sector Payments	<b>30</b>	An equalities Impact assessment will need to be done.
<b>Adults</b>	HRA Funding for Occupational Therapist	<b>20</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	<b>Total Adult Services</b>	<b>335</b>	

<b>HOUSING</b>			
<b>Housing</b>	Rural Housing Enabler Service	<b>4</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Housing</b>	Business Support - HRA allocation of staffing costs	<b>20</b>	
<b>Housing</b>	Welfare Reform inclusive of CAB and J E O'Toole	<b>37</b>	
<b>Housing</b>	Môn Communities First - Recharge Head of Service Time	<b>2</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Housing</b>	Empty Homes - Charging for Sale	<b>11</b>	
<b>Total Housing Services</b>		<b>74</b>	
<b>CHILDREN</b>			
<b>Children</b>	End Quality Assurance Role	<b>53</b>	
<b>Children</b>	Delete Admin Assistant Post from the structure	<b>13</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Children</b>	Support Services Manager's Post	<b>32</b>	
<b>Children</b>	Reduce Fostering Panel Budget	<b>16</b>	
<b>Children</b>	Paperless Fostering Panel	<b>2</b>	
<b>Children</b>	Cut contribution to Cynefin - Children's worker post	<b>13</b>	
<b>Children</b>	Reduce Baseline budget by 10%	<b>9</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Children</b>	Reduction in Youth Justice budget	<b>5</b>	
<b>Total Children Services</b>		<b>143</b>	

	<b>EDUCATION</b>		
<b>Education</b>	Dyslexia	<b>20</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Education</b>	Arts and Education Grants	<b>41</b>	
<b>Education</b>	Discretionary School Uniforms Grant	<b>19</b>	
<b>Education</b>	Performance Management - now done regionally	<b>24</b>	
<b>Education</b>	Increase School Meals Budget - Ysgol y Bont	<b>9</b>	
<b>Education</b>	Youth Clubs - remove underspent budget	<b>15</b>	This proposal is unlikely to affect any group disproportionately.
<b>Education</b>	Pre School Assessment Staff - funded from Education Improvement Grant	<b>37</b>	An Equalities Impact Assessment will need to be carried out.
<b>Education</b>	Youth Service Additional Activities - remove underspent budget	<b>5</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Education</b>	Increase school meal prices by 10p per day	<b>17</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Education</b>	Reduce early years bursary to Mudiad Ysgolion Meithrin and WPPA	<b>26</b>	An Equalities Impact Assessment will need to be carried out.
<b>Education</b>	Appetite for Life - budget no longer required	<b>51</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	National Childcare Strategy - historical underspend	<b>15</b>	
<b>Education</b>	Reduce the delegated schools budget	<b>988</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups.
	<b>Total Education Services</b>	<b>1,267</b>	

	<b>CULTURE</b>		
<b>Culture</b>	Remove vacant post - Oriel Ynys Môn	<b>31</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Culture</b>	Library Management System - regional collaboration	<b>10</b>	
	<b>Total Culture Service</b>	<b>41</b>	
	<b>LEISURE</b>		
<b>Leisure</b>	Beaumaris Leisure Centre - remove subsidy	<b>20</b>	Consultation Period has already taken place.
<b>Leisure</b>	Increase café income at Llangefni and Holyhead	<b>28</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Leisure</b>	Swimming Lessons Income	<b>55</b>	
	<b>Total Leisure Services</b>	<b>103</b>	
	<b>ECONOMIC &amp; MARITIME</b>		
<b>Econ &amp; Maritime</b>	Beach Warden - Contribution from Llanfaelog CC	<b>1</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	Restructure Maritime Team	<b>10</b>	
	Marketing - cut subsidy to Visit Anglesey	<b>25</b>	
	Summer Events - Stop grant now events established	<b>6</b>	
	Tourist Information - reduce costs of TI points	<b>2</b>	
	<b>Total Economic &amp; Maritime</b>	<b>44</b>	

	<b>HIGHWAYS</b>		
<b>Highways</b>	Bus Tendering	<b>60</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Highways</b>	School Crossing Patrols	<b>10</b>	
<b>Highways</b>	Reduce unspent Môn Transport Budget	<b>20</b>	
<b>Highways</b>	Start charging car park fees at 5 new car parks	<b>40</b>	
<b>Highways</b>	LED Lanterns – reduced energy costs	<b>100</b>	
<b>Highways</b>	Reduce Minor Traffic Works Budget	<b>10</b>	
<b>Highways</b>	Capitalise maintenance works budget	<b>200</b>	
<b>Highways</b>	Winter Maintenance – Gritting	<b>50</b>	
	<b>Total Highways</b>	<b>490</b>	
	<b>PROPERTY</b>		
<b>Property</b>	Cleaning contract	<b>50</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Property</b>	Smallholding Income – stop ring fencing for repairs	<b>35</b>	
	<b>Total Property</b>	<b>85</b>	
	<b>WASTE</b>		
<b>Waste</b>	Transfer Beaumaris PC to TC – septic tank at Porth Swtan	<b>14</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Waste</b>	Advertisements on bins	<b>10</b>	
<b>Waste</b>	Waste Collection	<b>41</b>	
<b>Waste</b>	Stop free bulky collection	<b>90</b>	
	<b>Total Waste Services</b>	<b>155</b>	



	<b>PUBLIC PROTECTION</b>		
<b>Public Protection</b>	Increased income pest control	<b>13</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Public Protection</b>	Staffing Restructure	<b>20</b>	
<b>Public Protection</b>	Income from Marriage Ceremonies	<b>6</b>	
<b>Public Protection</b>	Income from Housing Inspections FRA	<b>1</b>	
<b>Public Protection</b>	Income for charging for noise nuisance complaints	<b>1</b>	
<b>Public Protection</b>	Income from H & S consultancy	<b>2</b>	
<b>Public Protection</b>	Increased income from Street Trading	<b>11</b>	
<b>Public Protection</b>	FSA to fund Animal Feed Hygiene Inspections	<b>13</b>	
	<b>Total Public Protection</b>	<b>67</b>	
	<b>PLANNING</b>		
<b>Planning</b>	Reduce staffing Coed Cymru	<b>18</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Planning</b>	AONB	<b>11</b>	
<b>Planning</b>	Increase Planning Fee Income Budget	<b>15</b>	
	<b>Total Planning Services</b>	<b>44</b>	
	<b>COUNCIL BUSINESS</b>		
<b>Council Business</b>	Removal of Unison Post	<b>26</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Council Business</b>	Research – reduce scrutiny budget	<b>5</b>	
<b>Council Business</b>	Reduce law books and periodicals budget	<b>25</b>	
	<b>Total Council Business</b>	<b>56</b>	

<b>TRANSFORMATION</b>			
<b>Transformation</b>	End Ty William, Lease	<b>4</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
<b>Total Transformation</b>		<b>4</b>	
<b>RESOURCES</b>			
<b>Resources</b>	Reduce staffing budgets	<b>52</b>	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	Reduce car allowance budget	<b>3</b>	
	Reduce office repairs budget	<b>1</b>	
	Reduce external consultants budget	<b>10</b>	
	Reduce interview expenses budget	<b>2</b>	
	Reduce general expenses budget	<b>4</b>	
<b>Total Resources</b>		<b>72</b>	
<b>TOTAL PROPOSED SAVINGS</b>		<b>2,980</b>	

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>Report to:</b>	<b>Executive Committee</b>
<b>Date:</b>	<b>1 March 2016</b>
<b>Subject:</b>	<b>Children Services – Meeting Increased Demands</b>
<b>Portfolio Holder(s):</b>	<b>Aled Morris Jones</b>
<b>Head of Service:</b>	<b>Anwen Huws</b>
<b>Report Author:</b>	<b>Anwen Huws</b>
Tel:	<b>01248751811</b>
E-mail:	<b>anwenmhughes@ynysmon.gov.uk</b>
<b>Local Members:</b>	<b>Not applicable</b>

**A –Recommendation/s and Reason/s****It is recommended that the Executive Committee:**

- A.** Approve the proposed investments to mitigate risks associated with increased demands and workforce matters facing the Children Services:-

	<b>Cost 16/17</b>	<b>Cost 17/18 assuming 1%</b>
Maintain Current Management Capacity	Reduce of £78k saving proposal for 2016/17 by £25k	
Increase the social work capacity	£120,810	£122,018
Increase Independent charring capacity	£51,284	£51,797
Lead Practitioner Court Management	£53,810.	

- B.** Approve that the increased costs of placements for Looked After Children be addressed in the setting of the 206/17 Council budget. A no growth projection for 2016/17 on the same budget lines is a cost of £2,496,716 against a budget of £2,301,390. We are working with the finance service to analyse and project these costs going forward based on likely rate of increase.
- C.** Approve that the new costs of the When I am Ready Scheme be addressed in the setting of the 206/17 Council budget. Additional costs of up to £133k over the next three years.
- D.** Note that a number of business cases will be presented in due time:-

Increase Legal Capacity to Children Services	Consider the Business Case to increase legal capacity and whether this would lead to a reduction in use of counsel for cases – which would finance the cost of the legal capacity temporarily.
Social Worker (Temporary) – for two years Fostering Team	Consider whether added investment to the current Invest to Save initiative would increase the range of placements for looked after children and result in savings as well as cost avoidance.
Improving family support services	Consider the business case to establish an edge of care/crisis support service to underpin our approach to supporting family resilience, avoiding escalation and LAC reduction strategy. A <i>Detailed Business Case will be required to ensure that this will result in savings as well as cost avoidance.</i>

## Reason/s

Children Service statutory fieldwork is an area of inherent risk and complex case work. When combined with workforce challenges the risks increase. We are faced with significant challenges because of financial austerity, increased demand, capacity and effectiveness and complexity of pathways for families seeking help.

**Workforce** - *Securing a sufficient and stable workforce, who is supervised, managed and supported to carry out their work effectively.* There is a need to increase the social work capacity within the operational service in order to respond to the increasing demands and ensure that individual workloads are managed, enabling workers to spend more quality time with families who are working to make changes so that the family is a safe place for their children. ***My recommendation is that we appoint 3 additional social workers to bring the average workload down to 19 cases.*** During 2016/17 a further analysis of caseloads and service demands will be undertaken to inform the development of a Caseload Management Framework and service restructure.

Aligned to an increase in the workforce there is a need to have in place the capacity, experience, knowledge and appropriate skills mix to meet the national and local expectations placed upon the Local Authority and deliver a high quality service that improves outcomes for children and families on Anglesey. This requires opportunities for staff to pursue professional development activities in order to develop their knowledge and skills. This will be achieved through the Social Services Workforce Development Plan and in house coaching/mentoring: thus accelerating the development of workers and managers' knowledge, skills and competence.

The optimum position would be being able to recruit qualified and experienced staff. The reality is that it is more difficult to attract candidates with the right experiences. In the short term it is necessary to continue with the agency staff, whilst permanent and substantive appointments are made, and to provide a mix of skills in our teams that combines practical experience with the enthusiasm and creativity of newly qualified social workers.

## Quality and Accountability

The importance of embedding a robust Quality Assurance Framework into practice cannot be over emphasised because it provides a mechanism through which good practice and safe decision making is ensured at operational level. All managers have a key role in achieving this, and Service Managers in particular hold a senior management responsibility for "quality control". The Local Authority is consulting on a reduction to management capacity within its children services during the current budget proposals. Given the range of statutory responsibilities invested in the service, the changes to be implemented by the new Act and the lack of experience within the first line manager group, it is difficult to see how this can be achieved without effective middle management capacity.

A key element of ensuring safe decision making at operational level lies with the Safeguarding Unit. There is a need to increase the capacity for Charing Case Conferences and Statutory Reviews due to the significant increase in the number of looked after children and the number of children on the Child Protection Register. Not only does this affect performance, but failure to review cases thoroughly is bound to lead to delays, drift and inefficient use of resources. ***My recommendation is that we appoint one additional Independent Reviewing and Safeguarding Officer for a period of 2 years.***

## Improved practice and decision making within the Public Law Outline

For some children timely action is needed to remove the children through court processes and find a permanent placement for them with a family. The introduction of the Public Law Outline has meant significant pressure in the context of an increase in the number of applications. Once again a key aspect of achieving this is securing a stable workforce who are supervised, managed and supported to carry out their work effectively within the Public Law Outline. ***My recommendation is that we appoint a Lead Practitioner to provide training / mentoring / motivation to practitioners in their development as experts in dealing with cases in court.*** The primary purpose of this role would be to track cases within the Public Law Outline, work with practitioners to ensure that the work is completed on time and up to standard, provide a skills development programme, and provide regular performance and quality reports to the Service Management Team.

This increase in demand and expectations is shared with the legal service: and there is a need to consider the case for increasing the legal capacity to ensure that Children Services have access to the legal service it requires in terms of a whole range of matters. Arguably this should lead to a reduction in use of counsel for cases – which would finance the cost of the legal capacity temporarily.

### **Looked After Children**

Members have been informed that the number and cost of placements for Looked after Children are increasing, which is leading to an anticipated overspend by the year end on the Children Services budget. Based on a 13.01.16 baseline the projected cost of non standard and out of county placements for 2015/16 is £2,836,490 against the budget of £ 2,301,390. A no growth projection for 2016/17 on the same budget lines is a cost of £2,496,716 against a budget of £2,301,390. We are working with the finance service to analyse and project these costs going forward based on likely rate of increase.

Sustainability going forward demands an increase in the range of placements for looked after children. The Foster Carers Recruitment and Retention Strategy has been beneficial and cost avoidance has been achieved. However in the context of an increase in the looked after numbers, there is a need to recruit a greater number of foster carers. My recommendation is that we appoint a Social Worker – for two years –to deliver on an increased recruitment target. A Detailed Business Case will be required to ensure that this will result in savings as well as avoiding expenditure on agency placements.

The Local Authority will be expected to provide a new service called “When I am ready” from April 2016 onwards. It is estimated that there will be additional costs of up to £133k over the next three years.

If we are to reduce the rate at which children become looked after we should look to improve the family support services targeted, in particular, to provide quick and intensive support when the family breaks down, with the aim of keeping the family together. The service currently spends about £350k on its support services. It has already been noted that efficiency savings could be secured by streamlining the management of both services. However, the service model must be transformed. We would need to establish a Family Support Service that works from 7am to 10pm which would include Family Intervention Experts and Support Workers: enabling us to respond through intervention programmes that are tailored around the family but which would have the clear aim of reducing need, promoting independence and safety. A Detailed Business Case will be required to ensure that this will result in savings as well as cost avoidance.

### **B – What other options did you consider and why did you reject them and/or opt for this option?**

Members may wish to consider a Do Nothing option, and continue to try to meet the increased demand within existing resources. That would affect the local authority’s ability to carry out its statutory functions and would ultimately mean that the services are not provided. The risks associated with the Do Nothing Option are significant:-

- Unable to meet our statutory duties, key objective and targets
- Interventions to safeguard and promote children’s welfare is compromised
- Achievement of good outcomes for children is compromised
- Risk of external intervention
- Inefficient use of resources.
- Reputation damaged
- Workforce - Low staff morale: Sickness levels: Staff Turnover

The proposals and investments outlined in this report carry financial implications; it is in my opinion the most effective solution. Adopting the proposal will enable the Local Authority to be better placed to:-

- Meet its statutory duties, key objective and targets
- Achieve good outcomes for children through managed caseload, and practitioners supported to spend quality time with families.
- Implement a coherent workforce strategy
- Improve the Quality of decision-making and accountability
- Provide a range of placements for LAC
- Driving work on the Quality Assurance Framework, prioritising actions needed to improve the service delivered

### C – Why is this a decision for the Executive?

The recommendations proposed require additional finance to implement.

As per the Constitution, it is deemed mandatory that such requirements are addressed to the Executive for decision under both:-

**4.8 Financial Procedure Rules** for any virement/overspend identified or required for period 2015/16; and

**4.3 for Budget and Policy Framework Procedure Rules** for the setting and declaration period 2016/17.

### D – Is this decision consistent with policy approved by the full Council?

Yes

### DD – Is this decision within the budget approved by the Council?

**Financial year 2015/16 – No**

Implementation of the recommendations would require additional funds not currently within the service budget. The Section 151 officer is aware of the additional funding required and has included these in his budget report under 'budget pressures'. The HoS Children's report is included within said document as an appendix.

### E – Who did you consult?

### What did they say?

	Who did you consult?	What did they say?
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	The SLT support the report
2	<b>Finance / Section 151</b> (mandatory)	As point 1 above
3	<b>Legal / Monitoring Officer</b> (mandatory)	As point 1 above
5	<b>Human Resources (HR)</b>	
6	<b>Property (Head of Planning and Public Protection)</b>	
7	<b>Information Communication Technology (ICT)</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Any external bodies / other/s</b>	

### F – Risks and any mitigation (if relevant)

1	<b>Economic</b>	None
2	<b>Anti-poverty</b>	None
3	<b>Crime and Disorder</b>	None
4	<b>Environmental</b>	None
5	<b>Equalities</b>	None
6	<b>Outcome Agreements</b>	Isle of Anglesey County Council's Outcome Agreement 2013/16 : Broad Outcome: Providing users and carers with a stronger voice and greater control over the services they receive
7	<b>Other</b>	

<b>FF - Appendices:</b>
<b>G - Background papers (please contact the author of the Report for any further information):</b>

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive Committee</b>
<b>Date:</b>	<b>1 March 2016</b>
<b>Subject:</b>	<b>Adult Social Care Pressure Areas</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Aled Morris Jones</b>
<b>Head of Service:</b>	<b>Alwyn Rhys Jones, Head of Adult Services</b>
<b>Report Author:</b>	<b>Alwyn Jones, Head of Adult Services</b>
Tel:	<b>Ext. 2707</b>
E-mail:	<a href="mailto:AlwynJones3@ynysmon.gov.uk">AlwynJones3@ynysmon.gov.uk</a>
<b>Local Members:</b>	<b>Various</b>
<b>A –Recommendation/s and reason/s</b>	
<p>The Executive Committee are asked to :-</p> <ol style="list-style-type: none"> <li>1. Acknowledge the cost pressures faced by Adult Social Care in 2016/17;</li> <li>2. Support the proposed steps to be taken to mitigate these in 2016/17.</li> </ol> <p>Pressure for the department in 2016/17 are as follows:-</p> <p><b>Legislative</b></p> <p>The Social Service &amp; Wellbeing Act for Wales which comes into force on the 1<sup>st</sup> of April 2016. As a result of changes to be implemented in charging structures within the act in the future when an individual requires a short stay in a care home, the person must be charged as if they are receiving non-residential care. As such the maximum a person can be charged is £60 per week. No additional charge can be applied for hotel type costs. The estimated cost pressure from this change is £297,000.</p> <p>In order to manage and reduce the impact of the change the department seeks permission to review historic charging arrangements which have impacted negatively on the level of income received from those in receipt of benefits. At present the department charges a fixed rate £14.25 to all individuals requiring domiciliary care who are currently in receipt of benefits. By altering this to a more fluid structure it is estimated that a saving of approximately £100,000 can be made. A change of this nature will require full and appropriate consultation, however the department seeks executive approval to progress this in order to mitigate the fee pressure associated with the implementation of the Social Services &amp; Wellbeing Act for Wales. A part year implementation of this will only mitigate the costs in part.</p> <p>It is to be noted that the legitimacy of this change in fees is being considered on a national basis as this was a late change in the Social Services &amp; Wellbeing Act and Executive may need to review management and support to the department should this pressure be realized in full in 2016/17.</p> <p><b>Fee Pressures</b></p> <p>The Local Authority is required to review independent sector care home fees annually. In setting fee levels for independent sector care homes, the Local Authority needs to show that they have fully considered the costs of the provision in determining our standard care fees. This is done in collaboration with the other Authorities in North Wales and the Health Board by utilizing a Regional Fee Methodology/Toolkit.</p>	



Based upon implementing these fees the potential cost for Adult Social Care in Anglesey would be £308,000. Whilst implementing the fees in accordance with the fee methodology does not entirely overcome a risk of legal challenge it is considered that the authority could more readily defend a legal challenge. 3 other counties have indicated that they will implement the fees in accordance with the model whilst 2 others remain in negotiation regarding fees.

Recent trends in residential and nursing placements in Anglesey show a year on year reduction in placements. In order to meet the fee pressure noted it is considered that 17 fewer placements will be required for 2016/17. Trends indicate that it is permissible that this level of reduction will occur in 2016/17. As a result the department proposes that fee increases are supported through continued focus on supporting people to live within their own homes, and therefore maintaining the reduction in placements of this nature.

At present adult social care domiciliary care from the independent sectors at a unit cost of £14.50 for every hour or every part thereof an hour. No increase was given to this fee in 2015/16 with fees remaining static for the first time in a number of years.

In the last 5 years ability to commission care in Anglesey has been good and amongst other things this has supported the county to achieve positive performance against Delayed Transfer of Care. During this year our ability to commission has been markedly reduced with a consequent deterioration in our performance in this area. As a result of this deterioration and a need to acknowledge pressures consistent with those noted in residential care, most of which relate solely to employment costs we consider that consideration of a fee increase of up to 7% would be required. Based upon this an additional cost of £187,249 would be required to meet this fee increase. This would require the fee to be increased to £15.50. Early indications from a local provider is that they continue to feel that a fee at this level will be insufficient. It is proposed that fees in Gwynedd will be increased to £16.06.

In order to meet this increase the department proposes to use savings made in 2016/17 to meet the majority of these pressure, but seeks financial assistance from the council to meet the remainder. £125,000 of savings were proposed against lines which are currently over spent. The department intends to realise these savings but seeks agreement that these are not withdrawn from the departments budgets. This action along with an investment of £62,249 in the current settlement will allow the department to meet this pressure.

### **Model Gofal Penucheldre**

Penucheldre Extra- Care Housing Unit was opened in 2012. When the development was agreed a model of care was not implemented. As a result the gains expected from the development in terms of providing an alternative to residential care have not been realised in the short term. It is essential that in order to achieve these that a model of care is implemented.

Our intention is to implement this model as of the 1<sup>st</sup> of April, 2016. The cost of doing so is £37,286 in 2016/17. In 2017/18 and beyond savings are expected from the implementation of the model through reduced ongoing placements in residential care. It is on this basis that the department seeks short term investment to support this pressure in 2016/17.

### **Other**

The department acknowledges that there are other fee and service pressures that it will be subject to in year. Namely these are pressure associated with additional placement within learning disability services, fee pressure in supported living services and potential supporting people cuts.

The department will aim manage these pressure from within current resources.

## Summary

The Executive are asked to Acknowledge the pressures noted above and support the actions listed below to manage these pressures in 2016/17:-

- i. **Legislative-** Support a review of charging for domiciliary care to mitigate pressure from reduced respite fees. Review position in-year
- ii. **Fee Pressures-** Support the department proposal to manage demand to meet residential fees. Support the department with a recurring investment of £62,249 in domiciliary care fees in 2016/17.
- iii. **Model Gofal Penucheldre-** Support an investment of £37,286 in 2016/17 only to support the implementation of a care model in Penucheldre.
- iv. **Other Areas-** Acknowledge potential pressure and support the department to meet these from within current resources.

## B – What other options did you consider and why did you reject them and/or opt for this option?

Options to minimize the level of increase offered to independent sector providers have been considered. They have not been recommended as failure to recognize cost pressures in 2016/17 may compound challenges in a market which has already faced severe pressures in the current year. These pressures have negatively impacted on the councils performance in supporting discharges from hospital.

The council has no option other than to implement the fee changes implemented as part of the Social Services & Wellbeing Act.

The option of not implementing a model of care in Penucheldre was rejected as this neither yielded savings in the medium term, or supported the development to function as an Extra Care Unit as was originally proposed.

## C – Why is this a decision for the Executive?

The recommendations proposed require additional finance to implement.

As per the Constitution, it is deemed mandatory that such requirements are addressed to the executive for decision under both:-

**4.8 Financial procedure rules** for any virement/overspend identified or required for period 2015/16, and

**4.3 For budget and policy framework procedure rules** for the setting and declaration period 2016/17

## CH – Is this decision consistent with policy approved by the full Council?

Yes

## D – Is this decision within the budget approved by the Council?

Implementation of the recommendations would require additional funds not currently within the service budget. The Section 151 officer is aware of the additional funding required and has included these in his budget report under 'budget pressures'. The HoS Adult's report is included within said document as an appendix.

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)(mandatory)</b>	The SLT support the report
2	<b>Finance / Section 151 (mandatory)</b>	As Above
3	<b>Legal / Monitoring Officer (mandatory)</b>	As Above
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E – Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	None
2	<b>Anti-poverty</b>	None
3	<b>Crime and Disorder</b>	None
4	<b>Environmental</b>	None
5	<b>Equalities</b>	None
6	<b>Outcome Agreements</b>	None
7	<b>Other</b>	None
<b>F - Appendices:</b>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		

**APPENDIX 5**

**2016/17 BUDGET PROPOSAL BY SERVICE**

	<b>Initial Budget Proposal</b>	<b>Adjustments to Initial Budget Proposal</b>	<b>Standstill Budget following Provisional Settlement</b>	<b>Savings</b>	<b>Budget Pressures</b>	<b>Final Proposed Budget 2016/17</b>
	£	£	£	£	£	£
Education and Culture	49,412,810	684,490	50,097,300	-908,000	0	49,189,300
Adult Services	22,383,430	193,460	22,576,890	-335,000	500,000	22,741,890
Children's Services	7,023,870	61,360	7,085,230	-143,000	100,000	7,042,230
Housing Services	915,610	21,310	936,920	-74,000	0	862,920
Environmental and Technical Regulation	14,847,510	159,920	15,007,430	-730,000	0	14,277,430
Economic & Community Regeneration	2,617,880	48,150	2,666,030	-111,000	0	2,555,030
Corporate Transformation	2,094,390	53,970	2,148,360	-147,000	0	2,001,360
Resources (incl Benefits Granted)	3,232,250	333,770	3,566,020	-84,000	50,000	3,532,020
Council Business	8,802,450	60,410	8,862,860	-72,000	0	8,790,860
Corporate Management	1,541,150	26,910	1,568,060	-56,000	0	1,512,060
JE (reserves funded)	716,750	5,040	721,790	0	0	721,790
	-2,916,390	0	-2,916,390	0	0	-2,916,390
<b>Total Service Budgets</b>	<b>110,671,710</b>	<b>1,648,790</b>	<b>112,320,500</b>	<b>-2,660,000</b>	<b>650,000</b>	<b>110,310,500</b>
Corporate & Democratic Costs	1,913,150	0	1,913,150	0	0	1,913,150
Recharges to HRA	-621,950	0	-621,950	0	0	-621,950
Levies	3,203,890	-9,710	3,194,180	0	0	3,194,180
Capital Financing	8,301,957	0	8,301,957	0	0	8,301,957
Discretionary Rate Relief	50,000	10,000	60,000	0	0	60,000
<b>Total Allocated Budgets</b>	<b>123,518,757</b>	<b>1,649,080</b>	<b>125,167,837</b>	<b>-2,660,000</b>	<b>650,000</b>	<b>123,157,837</b>
General & Other Contingencies Funded through Reserves	3,183,000	-1,712,000	1,471,000	-400,000	208,617	1,279,617
				-400,000		-400,000
<b>Total Budget 2016/17</b>	<b>126,701,757</b>	<b>-62,920</b>	<b>126,638,837</b>	<b>-3,460,000</b>	<b>858,617</b>	<b>124,037,454</b>
Funded By						
Revenue Support Grant	67,785,900	-	70,619,353	-	-	70,619,353
National Non Domestic Rates	20,996,630	-	21,308,694	-	-	21,308,694
Council Tax	32,348,076	-	32,419,643	-	-	32,109,407
<b>Total Funding</b>	<b>121,130,606</b>	<b>-</b>	<b>124,347,690</b>	<b>-</b>	<b>-</b>	<b>124,037,454</b>
<b>Funding Gap</b>	<b>5,571,151</b>	<b>-</b>	<b>2,291,147</b>	<b>-</b>	<b>-</b>	<b>0</b>