

Report To:	The Inverclyde Council	Date:	14 December 2010
Report By:	Chief Financial Officer	Report No:	FIN/79/10/AP/GJ
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Inverclyde Council's 2011/13 Revenue Budget		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Council with an update relating to the 2011/13 Budget and to seek decisions from the Council on the number of matters.

2.0 SUMMARY

- 2.1 The Scottish Government announced the 2011/12 Budget on 17th November. Whilst this budget requires to be formally approved by the Parliament it does provide further information which the Council needs to consider.
- 2.2 The headline figures in the Scottish Government are that the budget proposed covers a one year period only and Local Government is scheduled to receive a cash cut of 2.6% in its Revenue Funding and a 17.9% reduction in Capital Resources compared with 2010/11. Overall this represents a reduction in resources of 3.7% as shown in Appendix 1.
- 2.3 The cash reduction referred to in 2.2 above provides no funding towards various increasing demands on Council Budgets arising from inflation, legislative changes, demographic pressures and impacts arising from the Westminster Government's comprehensive review. The Council requires to find an additional £5.7 million saving in 2011/12 to mitigate these matters.
- 2.4 The Scottish Government Revenue settlement is in line with the estimated grant figures previously provided to Members via the Financial Strategy in both June and August of 2010 but is dependent on the Council Leader on behalf of the Council signing up to a number of conditions which were covered in a letter jointly received from COSLA and the Scottish Government and attached in Appendix 2.
- 2.5 Were the Council not to agree the conditions outlined in the letter then the Scottish Government have indicated that they will increase the cash reduction from 2.6% to 6.4% which would represent a further approximate £7.3 million reduction in the Council's 2011/12 Grant Settlement.
- 2.6 Whilst how the Government would apply a reduction is not clear and continues to be discussed at a national level it is clear that a funding reduction of this order would be extremely difficult for the Council to contain. It is the advice therefore of the Corporate Management Team that the Council should accept the conditions but also specify the conditions under which this acceptance is given.

- 2.7 The Council's Base Budget for 2011/13 is finalised and shown in Appendix 3. This highlights that Members require to find £6.4 million of savings after the application of savings already agreed by the Council during 2010 and deducting £6.5 million in respect of work stream savings still to be achieved over the next two financial years.
- 2.8 The Council is recommended to approve a number of savings totalling £2.409 million contained in Appendix 4. These savings were distributed to all Members on 23 November 2010 and have been discussed with the individual political groupings. The Corporate Management Team recommend that these savings are taken now in order that those savings with policy implications can be concentrated on after the Christmas break. Were the Council to accept all the savings contained in Appendix 4 then the funding gap requiring to be closed post Christmas reduces to £4.0 million.
- 2.9 Appendix 5 contains a summary of the expenditure Pressures identified by the Corporate Management Team covering the two year period 2011/13. A provision of £3.5 million was included in the Financial Strategy for pressures arising over the two year period and the pressures identified are within this sum. It is however recommended that the Council retains a contingency for unforeseen pressures, further changes in legislation or reductions in grant in order that any of these issues can be smoothed out within the two year budget without the need for the Council to seek further savings. After taking this into account the amount allowed for pressure can reduce by £900,000 which further reduces the savings target.
- 2.10 Within the Scottish Budget there was a 17.9% reduction in Capital Resources. After taking into account the accelerated Capital which was due to be returned to the Council in 2011/12 but is now no longer being so, then the Council is approximately £1.1 million worse off in Capital for 2011/12 than factored into the current Capital programme.
- 2.11 Based on this information and estimating future Capital Settlements for 2012/13 and 2013/14 it is recommended that as part of the budget setting process Members reduce the size of the current Capital Programme by £3 million net. In the event that the Council do not reduce the size of the Capital Programme by this amount then a commensurate amount of Revenue Funding will require to be set aside to increase the level of Prudential Borrowing.
- 2.12 The Joint Board Budgets for the Council are all due to be approved after the Christmas break and it is recommended that delegated authority be given to the Council's representatives to agree the Joint Board's requisitions provided they are within the parameters outlined in Section 11 of the report. In summary it is expected that all Joint Boards will agree to a cash reduction in their requisitions with the exception of the Concessionary Travel Scheme where an increase in requisition of approximately £50,000 is expected in 2011/12 following the extensive use of reserves by the Scheme over the last few years.
- 2.13 Throughout recent months the Corporate Management Team have met with the Unions via the forum of the Joint Budget Group. The Unions input has been extremely important in refining some of the saving proposals to ensure that employees are protected as far as possible and also to ensure effective communications with all the employees potentially impacted by the saving proposals. This work will continue over coming months as the budget is agreed and thereafter delivered.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council note the position in respect of the Scottish Budget and the indicative settlement for the Council.

- 3.2 It is recommended that the Council consider the joint letter from COSLA and the Scottish Government regarding the 2011/12 Budget Grant Settlement and thereafter decide whether to accept the Corporate Management Team's advice that in light of the potential financial penalty for not agreeing to the conditions, the Council Leader on behalf of the Council accept the conditions but on the basis of the Council's conditions as set out in the note to be circulated separately in advance of the meeting.
- 3.3 That the Council consider and approve all the savings recommended by the Corporate Management Team contained in Appendix 4 totalling £2.409 million.
- 3.4 That the Council approve the budgetary pressures identified Corporate Management Team and agree in principle to the creation of the contingency for unforeseen pressures/further reductions in grant in 2012/13, the size of which will be approved at the February Council budget meeting.
- 3.5 That the Council grant delegated authority to the representatives of the various Joint Boards to agree requisitions provided that they represent a reduction in Council contribution of at least the levels outlined in Section 11.
- 3.6 That the Council note the need to remove approximately £3 million from the 2011/14 Capital Programme as part of the overall budget decision in February 2011.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council has previously agreed that it wishes to set a two year budget covering the period 2011/13 in February 2011. In addition the Council already has a Capital Programme covering the period 2010/14 and has noted previous advice from the Chief Financial Officer that this may require review following announcement of the detailed budget settlement.
- 4.2 All Members have received updates in respect of the latest budgetary position with briefings having taken place in June, August and November 2010.
- 4.3 The Westminster Government announced the results of its Comprehensive Spending Review covering the period 2011/12 to 2014/15 in October 2010 and following this the Scottish Government announced its 2011/12 budget on 17 November 2010.

5.0 OVERVIEW OF WESTMINSTER AND HOLYROOD FUNDING ANNOUNCEMENTS.

- 5.1 Whilst overall the announcement from the Westminster Government was in line with the reductions in funding previously reported there were a number of impacts arising from the Comprehensive Spending Review which will have an impact on the Council's budget in future years. These matters largely relate to the welfare reform agenda and those which can currently be quantified are included in the budget pressures included later in this report.
- 5.2 The Scottish budget announced on 17 November provided further clarity. The Local Government share of the Scottish block was effectively retained at 34.5% and as a result it is proposed that Scottish Local Government receives a cash reduction in 2011/12 of 2.6% (£287 million) and a Capital reduction of 17.9% (£151 million). Overall this equates to a reduction of 3.7% on resources compared to 2010/11. See Appendix 1
- 5.3 The real term impact on Local Authority budgets is significantly greater than the 2.6% Revenue cash cut announced as this assumes Local Authorities will absorb all inflation pressures, legislative changes, impacts from the Westminster Comprehensive Spending Review and address all the previously reported demographic pressures especially around the areas of Social Care. The total extra cost of these other factors is estimated to be £5.7 million in 2011/12.
- 5.4 When all the above is taken into account then for 2011/12 alone the level of efficiencies, savings and extra income to be identified equates to approximately £10.4 million which is 5% of the Council's annual spend.

6.0 OTHER MATTERS ARISING FROM THE SCOTTISH GOVERNMENT BUDGET

- 6.1 The Council will be aware that the Scottish Government Budget covers 2011/12 only albeit the Government had received figures from Westminster covering the period 2011/15. The absence of any more than one year's figures does make it more challenging and uncertain for the Council to set a firm two year budget however the strong advice from the Chief Financial Officer and the Corporate Management Team is that for all the reasons previously explained around the advantages of medium term financial planning, delivery of savings and making best use of Officers and Member time then a two year budget should be set in February 2011.

- 6.2 The second issue which was highlighted at the All Member briefing on 23 November 2010 is that the Government's proposed Grant Settlement for Local Authorities is dependent on all Local Authorities signing up to a number of conditions set out by the Government and discussed with COSLA. The letter from COSLA and the Scottish Government to the Council Leader details the various conditions and is attached at Appendix 2.
- 6.3 The financial implications of the Council not agreeing to the conditions contained in the letter are that the cut in Council funding in 2011/12 would be increased from 2.6% to 6.4% which equates to a further reduction in Inverclyde Council's funding of approximately £7.3 million.
- 6.4 The Corporate Management Team have reviewed the conditions in the letter. Overall the conclusion of the Corporate Management Team is that it will be possible for the Council to either fully meet the conditions contained in the letter or for the Council to meet its share of the overall national figure for other areas. In addition the Corporate Management Team advise that the Council would find itself in extreme financial difficulty were it to have to forego another £7.3 million of Revenue funding in 2011/12 and as such the advice of the Corporate Management Team is that the Council Leader on behalf of the Council should accept the conditions by the deadline of 21 December 2010 subject to the Council intimating certain conditions of its own. These are set out in note which will be circulated to members in advance of the Council meeting.
- 6.5 It should be noted however that discussions are still taking place between Local Authorities, COSLA and the Government regarding the legitimacy of the approach taken by the Scottish Government. It is also not clear how the Government are going to measure some of the conditions they have set at a national level and what the implications are if one Authority does not agree to the conditions but the others do.

7.0 2011/13 BASE BUDGET

- 7.1 The Council's Base Budget for 2011/13 has now been finalised and is attached at Appendix 3. This confirms that after taking into account the latest information as regards the Scottish Budget, adjusting for savings already agreed by the Council in 2010 and adjusting for further work stream savings totalling approximately £6.5 million which are yet to be implemented over 2011/13 then the funding gap requiring to be closed by Members through the review of the detailed saving lists is £6.4 million.

8.0 SAVING PROPOSALS

- 8.1 Appendix 4 contains a number of saving proposals developed by the Corporate Management Team and discussed with the Unions via the Joint Budget Group which it is recommended are approved by the Council as part of this report.
- 8.2 The rationale for putting some savings forward now is that it removes a number of savings which could be described as operational and which Officers in partnership with the Unions can then proceed to implement. This in turn allows Members to concentrate on those savings with policy/frontline service delivery implications after the Christmas break.
- 8.3 It can be seen from Appendix 4 that the total value of the savings proposed over the two year period comes to £2.409 million which if all were agreed would reduce the savings target from £6.4 million to £4.0 million.

9.0 BUDGET PRESSURES 2011/13

- 9.1 Appendix 5 contains a summary of expenditure pressures identified by the Corporate Management Team. The pressures are a combination of demographic budgetary pressures, legislative budgetary pressures, economic pressures and a number of local budgetary pressures where budgets require to be realigned with expenditure/income levels.
- 9.2 In the Financial Strategy the Council allowed for £3.5 million of expenditure pressures over the period 2011/13 and it can be seen from Appendix 5 that the recommendations from the Corporate Management Team total approximately £2.60 million after allowing for a further contingency in 2012/13. This creation of this contingency is strongly recommended to allow the Council to react to further unforeseen pressures, further changes in legislation or reductions in grant without the need for the Council to consider further non-efficiency savings during 2011/13.
- 9.3 Were the Council to agree the recommendations contained in Appendix 5 then the balance of the £3.5 million ie £900,000 could be deducted from the £4.0 million savings yet to be achieved and leave a balance of approximately £3.10 million of savings to be agreed after the Christmas break.
- 9.4 An overall calculation of the proposed 2011/13 budget position, if all matters covered in this report are approved, is shown in Appendix 6.

10.0 CAPITAL

- 10.1 As indicated earlier in the report the Scottish Government announced a 17.9% reduction in Capital Funding in 2011/12. However this reduction does not take into account the fact that the Government was due to return £60 million to Scottish Local Government which had been used to accelerate Capital Projects in 2009/10. When this matter is taken into account then the reduction in Capital Funding from 2010/11 is approximately 25%.
- 10.2 This level of reduction is significantly in excess of the amount previously estimated in setting the 2011/14 Capital Budget and leads to a funding shortfall of £1.1 million in the 2011/12 Capital Programme alone.
- 10.3 The Council are advised that various reports will be submitted to the relevant Service Committees in January 2011 for the Service Committees to consider in advance of the overall budget approval in February 2011.
- 10.4 In the event the Council decides not to reduce the overall size of the Capital Programme by £3 million then extra Revenue Funding will require to be set aside to increase the level of Prudential Funding to support the Capital Programme.

11.0 JOINT BOARDS BUDGETS

- 11.1 The Budgets for the Police Joint Board, Fire & Rescue Joint Board, SPTA, Concessionary Fares and Renfrewshire Valuation Joint Board are due to be agreed from mid December to the end of January.
- 11.2 Overall it is anticipated that all Joint Boards with the exception of the Concessionary Travel Scheme will be reducing their requisitions by at least 2% from the levels charged in 2010/11. The position in respect of the Concessionary Travel Scheme is that it has used a significant level of reserves over the last number of years in order to balance their budget. These reserves are now running out and as such it is expected that the Council's contribution to the Concessionary Travel Scheme will increase by approximately £50,000 in 2011/12.

- 11.3 It is proposed therefore that the Council delegate to the Joint Board representatives to agree the 2011/12 requisitions provided the proposed figures are no greater than the figures shown in 11.2. The Chief Financial Officer will provide briefings to the relevant members in advance of the Board Budget Meetings.
- 11.4 Were the Council to agree to approve this delegation of authority then an update on the Joint Boards Budget position will be presented to the Policy & Resources Committee on 8 February 2011.

12.0 LIAISON WITH THE UNIONS

- 12.1 Throughout the budget process the Corporate Management Team have met with the Unions via the Joint Budget Group. This forum continues to prove extremely useful with valuable input from the Unions in respect of modifying saving proposals, to minimise the impact on Council employees and as a sounding board for agreeing communications with employees.
- 12.2 Meetings will continue to take place immediately after the Christmas break and also after the approval of the budget in February in order to ensure that the impact on employees is managed in a sensitive and effective manner.

13.0 CONCLUSIONS

- 13.1 Overall the announcements from the Westminster Government in October and the Scottish Government in November are in line with the estimated information previously given to Members. The Council will receive a reduction in cash resources from the Government and the detailed figures are expected by mid-December.
- 13.2 Subject to the Council agreeing the savings detailed in Appendix 4 and the expenditure pressures detailed in Appendix 5 then Members will be left with a funding gap for the 2011/13 budget of approximately £3.10 million which requires to be closed by further savings or income generation proposals.
- 13.3 The Council's Capital Programme requires to be reduced by approximately £3 million and proposals in this regard need to be considered by the Council in February 2011 albeit it there will be certain reports going to Service Committees in January in respect of specific Capital projects.
- 13.4 Joint Boards Budgets will be agreed over December and January and the pragmatic approach would be to delegate authority to the Council's representatives to agree the budgets and resultant requisitions provided they are within the parameters outlined in this report.

14.0 CONSULTATION

- 14.1 The report has been produced in full consultation with the Corporate Management Team.
- 14.2 The report has been produced in full consultation with Trade Unions via the Joint Budget Group.
- 14.3 The equality impacts of the proposals in this report have been reviewed by the Corporate Director Education & Communities.

Appendix 1

Scottish Budget Figures

	2010/11	2011/12 Proposed	Difference	% Change
	£million	£million	£million	
Revenue	11143.1	10856.2	(286.9)	(2.6)
Capital	843.2	691.8	(151.4)	(17.9)
Total	11986.3	11548.0	(438.3)	(3.7)

Councils Estimated Share of Cuts

Revenue	£4.943 million (1.72% of Overall Cut)
Capital	£1.812 million* (1.20% of Overall Cut)
	<hr/>
	<u>£6.755 million (1.54% of Overall Cut)</u>

* Council had already allowed for some of this reduction when agreeing the 2010/14 Capital Programme in February 2010.

AP/LM
25/11/10

Cabinet Secretary for Finance and Sustainable Growth
John Swinney MSP

T: 0845 774 1741
E: scottish.ministers@scotland.gsi.gov.uk



President, COSLA
Councillor Pat Watters CBE

T: 0131 474 9200



To: The Leaders of all Scottish local authorities

17 November 2010

Dear Council Leader

THE 2010 SPENDING REVIEW

This letter contains the terms of the agreement, for recommendation to individual councils, reached between the Scottish Government and COSLA's Leadership on the 2010 spending review.

The agreement is represented by a package of measures. The package has been agreed against the background of the tightest financial circumstances for a generation. Given those circumstances, both sides believe that it is the best that can be achieved.

Focus on outcomes

The agreement is firmly anchored in the ongoing relationship between the Scottish Government and COSLA, based upon mutual respect and partnership. Both sides reaffirm their commitment to that relationship and are clear about the benefits which have flowed from it.

No part of the public sector has escaped without the need to prioritise or to secure efficiencies, given the significant reduction in the overall available resource. We agree that a focus on outcomes, when money is so tight, is the only way to protect what matters to the people of Scotland.

Funding for local government in 2011-12

Overall, the Scottish Government's total budget in 2011-12 is £33.5 billion, excluding £100 million that is being carried forward from 2010-11 to mitigate the significant reductions in the capital budget. The cash reduction in the Scottish Government's Departmental Expenditure Limit compared to 2010-11 is £1.3 billion (or 4.5%). In assessing what share of this funding should go to local government, the Scottish Government has taken account of the unique position held by local government in the governance of Scotland and the major

contribution local government makes to all of the Government's strategic objectives and the successful delivery of national outcomes.

The package of measures negotiated with COSLA's Leadership and now being put to councils would mean a drop of 2.6% in cash terms in the revenue funding provided to local authorities compared to 2010-11. That compares to an average cut in revenue budgets for all other (non-protected) public services of 6.4%. The reduction in capital funding represents a drop of 17.9% in the capital provided to local government by the Scottish Government compared to 2010-11. By comparison, the overall reduction in the Scottish Government's total capital budget over the same period will be 23.9%.

The Scottish Government has made clear to the COSLA Leadership that for councils to access the full amount of the financial package, the Government will require each local authority to agree formally to the full list of commitments contained within the package. COSLA's Leadership has noted this.

The Scottish Government's position is that it will not be possible for authorities to select elements of the package, including elements of the funding on offer. The Scottish Government is therefore asking each local authority Leader to write to the Scottish Government, by 21 December 2010, to indicate whether or not you agree to the full package on these terms. If you do not, the revenue funding available to your council would be reduced, not by 2.6%, but by 6.4% (which, across the whole of local government, would be worth £426 million in 2011-12).

In each of the past 3 years, the Scottish Government has held back £70 million from the Local Government Finance Order put to Parliament in early February (representing the amount to be made available to councils which freeze their council tax). Parliamentary approval to pay out the remaining amount is then sought in March, once all councils have set their budgets and their council tax rates for the year ahead.

The arrangements now proposed by the Scottish Government for 2011-12 will be similar, except that the amount held back will be greater – at £426 million (including the £70 million associated with the council tax freeze). Once councils have set their budgets and it is clear they have made provision in their budgets to deliver the full package, including the council tax freeze, approval will be sought from Parliament in March 2011 to make available the remaining amount.

For the purposes of this letter, the Scottish Government has assumed that all authorities will endorse the package and receive the full amount of funding associated with it. How that level of funding support (including the amount to be held back) will be distributed to authorities will be the subject of consultation with COSLA under the usual arrangements for discussing distribution and set out in a Scottish Government Circular in early December. This will assist councils in deciding whether to take up the terms of the offer now put to them.

The package

The package of measures agreed is founded on the relationship established between the Scottish Government and COSLA in 2007. The new elements of the package are:

- The total amount of funding to be made available in 2011-12.
- Specific commitments to be delivered from within the funding envelope provided which replace the specific commitments set out in the 2007 Concordat document.

The level of funding

The funding which the Scottish Government will provide to local government in 2011-12 will total £11.548 billion. This total includes the Government's estimate of non domestic rate income over the period. Within this total, revenue funding will amount to £10.856 billion and capital funding will amount to £0.692 billion.

The £11.548 billion represents 34.5% of the Scottish Government's total budget for 2011-12. This maintains local government's share of the Scottish Budget between 2010-11 and 2011-12 (at the point of agreement between the Scottish Government and COSLA's Leadership on the funding package). The capital settlement also maintains local government's share of the Scottish Government's capital budget at the level it was in 2009-10, as agreed last year between the Scottish Government and COSLA, (excluding the carry forward referred to above).

There is some further funding that will also go to local government which is in addition to the figures above. This includes, for example, funding that is provided through European grants which are channelled through the Scottish Government; funding provided in respect of the new school building programme announced in stages during 2009; and funding for a health and social care change fund, the details of which are contained below.

Specified set of commitments

To secure the funding package, individual councils will agree:

- To remain committed to the delivery of the current Single Outcome Agreements, the 3 jointly agreed social strategies and the Curriculum for Excellence.
- To a council tax freeze for 2011-12.
- To police officers being maintained at 17,234 throughout 2011-12.
- To maintain the pupil-teacher ratio in P1-P3, the crucial early years of primary school.
- To protect the number of teacher posts as far as possible in order to secure:
 - places for all probationers who require a place under the induction scheme in August 2011;
 - Sufficient teaching posts available for all probationers who achieve Standard for Full Registration in summer 2011 (i.e. successfully complete their probation); and
 - A reduction in the total number of unemployed teachers.
- To an independently chaired review of all aspects of the McCrone Agreement, to report by June 2011 with the clear intention that its recommendations should be available for implementation before August 2012.
- To continue to deliver the shared Scottish Government/COSLA commitments on Free Personal Care, for which payments will be uprated in 2011-12.
- To continue to work with the Scottish Government towards implementation of the Carers and Young Carers Strategy at local level, including the maintenance of an extra 10,000 weeks respite provision.

In return for delivery of these commitments, the Scottish Government:

- Will ensure that the funding to be provided to police forces within the funding settlement will be subject to a loss of resources no greater than that affecting the remainder of the local government family.
- Has included an additional £15 million within the total of £11.548 billion to cover the education costs associated with protecting, as far as possible, the number of teacher posts.
- Has agreed to consider changes through the Scottish Negotiating Committee for Teachers negotiations (or other changes that achieve the same value), on which decisions would be sought by end January 2011 and which would deliver:
 - A pay freeze in 2011/12 and 2012/13 for all employees (teachers and all associated professionals);
 - An increase in contact time for probationers to 0.9 FTE;
 - Agreement that all supply teachers are paid on Point 1 of the Main Grade Scale and only for hours worked;
 - Removal of salary conservation;
 - Agreement that the Teacher leave year is moved to 40 days per annum for the calculation of family leave entitlements; and
 - Freeze entry into the Chartered Teacher Scheme.
- In recognition of the wider pressures on the health and social care system, has allocated £70 million for a new change fund in 2011-12. The fund, which will be held by NHS Boards and so be additional to the local government settlement amount of £11.548 billion, is intended to enable the redesign of services that support shifting the balance of care towards primary and community care. The spending of these resources will be overseen by a partnership governance arrangement on the basis of plans to be agreed locally between NHS Boards, local government and the third/independent sectors. The detailed governance arrangements and guidance for these plans is currently being developed in partnership.

Conclusion

In very challenging circumstances, this proposed settlement for 2011-12 and the package of measures negotiated between the Scottish Government and COSLA's Leadership is the best outcome that can be achieved. It is now for individual councils to determine whether they wish to take up these terms.

Yours faithfully

John Swinney MSP
For the Scottish Government

Councillor Pat Watters
For COSLA

BASE BUDGET - 2011/13

APPENDIX 3

OBJECTIVE SUMMARY	2010-11 Base Budget	2011-12 Adjustment	2011-12 Inflation	2011-12 Base Est.	Budget 2011-12	2012-13 Adjustment	2012-13 Inflation	Budget 2012-13
Chief Executive Services	642,920	(6,510)	-	636,410	636,410	1,380	-	637,790
Organisation, Improvement & Resources Directorate	7,180,980	523,980	-	7,704,960	7,704,960	14,620	-	7,719,580
Regeneration & Environment Directorate	26,830,970	(705,900)	(44,640)	26,080,430	26,080,430	13,520	(106,030)	25,987,920
Education & Communities Directorate	85,122,400	3,153,940	(250,270)	88,026,070	88,026,070	709,830	(40,220)	88,695,680
Health & Social Care Directorate	49,560,100	(22,770)	(8,660)	49,528,670	49,528,670	28,000	(8,890)	49,547,780
Directorate Sub-Total	169,337,370	2,942,740	(303,570)	171,976,540	171,976,540	767,350	(155,140)	172,588,750
Joint Boards	16,458,610	(10,640)	-	16,447,970	16,447,970	-	350,000	16,797,970
Miscellaneous	6,324,850	(2,468,740)	1,588,510	5,444,620	5,444,620	200,000	2,000,000	7,644,620
Loan Charges	15,515,560	768,280		16,283,840	16,283,840	810,000		17,093,840
Recharge to Trading Operations	(161,390)	64,430		(96,960)	(96,960)			(96,960)
Policy Priorities	-	300,000	0	300,000	300,000	300,000		600,000
Corporate Pressures	-	1,750,000	0	1,750,000	1,750,000	1,750,000		3,500,000
Total Expenditure	208,382,000	2,439,070	1,284,940	212,106,010	212,106,010	3,827,350	2,194,860	218,128,220
Financed By:								
Revenue Support Grant	(143,137,000)	345,000		(142,792,000)	(142,792,000)	2,828,000		(139,964,000)
Council Tax	(32,900,000)	(50,000)		(32,950,000)	(32,950,000)			(32,950,000)
Non Domestic Rates	(32,325,000)			(32,325,000)	(32,325,000)			(32,325,000)
Net Expenditure	-	2,754,070	1,284,940	4,039,010	4,039,010	6,655,350	2,194,860	12,889,220

Financial Years 2011/12 and 2012/13
 (incremental basis)

	Budget	
	2010/11	10%
	£'000	£'000
10% Target		
Chief Executive's Office	643	64
Education & Communities	85,122	8,512
Organisational Improvement & Resources	7,181	718
Regeneration & Environment	26,831	2,683
Social Work / CHCP	49,560	4,956
Total	169,337	16,934

December 2010 Summary of Proposals	2011/12	2012/13	Total		2011/12	2012/13	Total
	£'000	£'000	£'000	%	FTE	FTE	FTE
Service Withdrawal / Reduction							
Chief Executive's Office	11	53	64	10%	-	1.00	1.00
Education & Communities	326	509	835	1%	4.70	12.50	17.20
Organisational Improvement & Resources	373	324	697	10%	1.50	7.50	9.00
Regeneration & Environment	173	143	316	1%	4.00	2.00	6.00
Social Work / CHCP	449	48	497	1%	3.00	-	3.00
Total	1,332	1,077	2,409	1%	13.20	23.00	36.20

February 2011 Summary of Proposals	2011/12	2012/13	Total		2011/12	2012/13	Total
	£'000	£'000	£'000	%	FTE	FTE	FTE
Service Withdrawal / Reduction							
Chief Executive's Office	0	0	0	0%	-	-	-
Education & Communities	2,315	2,176	4,491	5%	54.20	51.40	105.60
Organisational Improvement & Resources	0	0	0	0%	-	-	-
Regeneration & Environment	766	1,000	1,766	7%	14.30	4.00	18.30
Social Work / CHCP	1,307	952	2,259	5%	4.00	-	4.00
Total	4,388	4,128	8,516	5%	72.50	55.40	127.90

Total Summary of Proposals	2011/12	2012/13	Total		2011/12	2012/13	Total
	£'000	£'000	£'000	%	FTE	FTE	FTE
Service Withdrawal / Reduction							
Chief Executive's Office	11	53	64	10%	-	1.00	1.00
Education & Communities	2,641	2,685	5,326	6%	58.90	63.90	122.80
Organisational Improvement & Resources	373	324	697	10%	1.50	7.50	9.00
Regeneration & Environment	939	1,143	2,082	8%	18.30	6.00	24.30
Social Work / CHCP	1,756	1,000	2,756	6%	7.00	-	7.00
Total	5,720	5,205	10,925	6%	85.70	78.40	164.10

2011/13 BUDGET PROPOSED SAVINGS

PROPOSALS: AS AT DECEMBER 2010

DIRECTORATE: CHIEF EXECUTIVES OFFICE

PROPOSAL	PLANNED SAVINGS			ESTIMATED POSTS REDUCED		ACTION
	SAVING TYPE	2011/12 £000	2012/13 £000	2011/12 FTE	2012/13 FTE	
CEO 01 Remove / Reduce Overhead Budgets	2	2	2			
CEO 02 Rationalise Communications / Marketing / Events	2	0	53		1.0	
CEO 03 10% Reduction - Advertising	2	9	9			
TOTAL		11	64	0.0	1.0	

SAVING TYPE

1. Service Reduction/Withdrawal - External
2. Service Reduction/Withdrawal - Internal
3. Income Generation
4. Efficiency

PROPOSALS: AS AT DECEMBER 2010

2011/13 BUDGET PROPOSED SAVINGS

APPENDIX 4

DIRECTORATE: EDUCATION AND COMMUNITIES

PROPOSAL	PLANNED SAVINGS			ESTIMATED POSTS REDUCED		ACTION
	SAVING TYPE	2011/12 £000	2012/13 £000	2011/12 FTE	2012/13 FTE	
ED 02 Teachers - Locums	4	24	40			
ED 08 Teachers - Primary Teacher Management Structure	2	30	48	1.2	1.2	
ED 09 Teachers - Secondary Teacher Management Structure	2		151	0.0	2.0	FYE £241k
ED 13 Support staff in schools - Technicians	2		120	0.0	7.5	FYE £160k
ED 14 Support staff in schools - Librarians	2	20	45	1.0	2.0	FYE £59k
ED 18 HQ restructure	2	50	120	1.0	3.0	Full Year Impact £160k
ED 22 ASN Accessibility - Contain in SEMP	4	83	83			
SC 02 Inverclyde Leisure - Management Efficiencies	4	66	175			
SC 07 Food Safety Officer - delete post when vacated (retirement)	2	34	34	1.0	1.0	
SC 08 Data Analyst - delete 0.5 vacant post	2	19	19	0.5	0.5	
EDUCATION & COMMUNITIES TOTAL		326	835	4.7	17.2	

SAVING TYPE

1. Service Reduction/Withdrawal - External
2. Service Reduction/Withdrawal - Internal
3. Income Generation
4. Efficiency

PROPOSALS: AS AT DECEMBER 2010

DIRECTORATE: ORGANISATIONAL IMPROVEMENT & RESOURCES

PROPOSAL	PLANNED SAVINGS			ESTIMATED POSTS REDUCED		ACTION
	SAVING TYPE	2011/12 £000	2012/13 £000	2011/12 FTE	2012/13 FTE	
FIN 01	2	0	30		0.5	
FIN 02	2	24	41	1.0	2.0	
FIN 03	3	140	140	(2.0)	(2.0)	
FIN 04	4	20	50	0.5	1.5	
ODHR&P 01	2	50	50			
ODHR&P 02	2	40	80	1.0	2.0	
ODHR&P 03	2	0	100		2.0	
OI&R 01	3	25	25			
CS&BT 01	2	24	60	1.0	2.0	
CS&BT 02	4	0	41		1.0	
CS&BT 03	4	0	30			
CS&BT 04	4	50	50			
TOTAL		373	697	1.5	9.0	

SAVING TYPE

1. Service Reduction/Withdrawal - External
2. Service Reduction/Withdrawal - Internal
3. Income Generation
4. Efficiency

2011/13 BUDGET PROPOSED SAVINGS

PROPOSALS: AS AT DECEMBER 2010

DIRECTORATE: REGENERATION & ENVIRONMENT

PROPOSAL	PLANNED SAVINGS			ESTIMATED POSTS REDUCED		ACTION
	SAVING TYPE	2011/12 £000	2012/13 £000	2011/12 FTE	2012/13 FTE	
PAFM 01	2	0	50			
PAFM 02	4	44	70	1.0	1.0	
ECS 02	2	50		1.0	1.0	
ECS 05	4	17	17	1.0	1.0	
LDS 01	2	62	62	1.0	1.0	
LDS 03	2	42			1.0	
LDS 04	2	25			1.0	
TOTAL		173	316	4.0	6.0	

SAVING TYPE

1. Service Reduction/Withdrawal - External
2. Service Reduction/Withdrawal - Internal
3. Income Generation
4. Efficiency

Budget Pressures - CMT Recommendations 2011/13

<u>Legislative</u>	<u>Service</u>	<u>Increase 2011/12 £000</u>	<u>Increase 2012/13 £000</u>	<u>Total Increase 2011/13 £000</u>
DWP Admin Grant Reduction	Finance	71	71	142
Protection of Vulnerable Groups	ODHR	150	(150)	0
Food Waste Collection	Environmental	250	150	400
Independent Living Fund	Social Care	78	-	78
Homelessness - Benefits Payments Legislation	Social Care	355	-	355
Totals		904	71	975

<u>Demographic</u>	<u>Service</u>	<u>Increase 2011/12 £000</u>	<u>Increase 2012/13 £000</u>	<u>Total Increase 2011/13 £000</u>
Adoption Charges	Social Care	80	-	80
Adults with Learning Difficulties	Social Care	150	150	300
Older Peoples Services	Social Care	300	300	600
Totals		530	450	980

<u>Economic</u>	<u>Service</u>	<u>Increase 2011/12 £000</u>	<u>Increase 2012/13 £000</u>	<u>Total Increase 2011/13 £000</u>
Planning Income	Regen & Planning	92	-	92
Totals		92	0	92

<u>Local Pressures</u>	<u>Service</u>	<u>Increase 2011/12 £000</u>	<u>Increase 2012/13 £000</u>	<u>Total Increase 2011/13 £000</u>
SLA Income Reduction	BS & CT	37	113	150
Determined to Succeed	Education	(97)		(97)
Unforeseen Pressure Contingency	Corporate	-	500	500
Totals		(60)	613	553

Overall Total		1,466	1,134	2,600
----------------------	--	--------------	--------------	--------------

Financial Strategy Allowance		1,750	1,750	3,500
-------------------------------------	--	--------------	--------------	--------------

Overall Saving on Allowance		(284)	(616)	(900)
------------------------------------	--	--------------	--------------	--------------

2011/13 Revenue Budget Summary

	£million
2011/13 Base Budget Funding Gap	12.889 (Appendix 3)
less: Workstream Savings not yet implemented.	(6.482) (See below)
: Savings Proposed December 2010	(2.409) (Appendix 4)
: Balance of Pressures Allowance	(0.900) (Appendix 5)
	<hr/>
Balance of Savings yet to be agreed	<u>3.098</u>

Workstream Savings to be achieved

	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
3rd/4th Tier Restructure	89	-	-	89
Committee Review	-	-	30	30
Operating Model	-	900	1000	1900
FM/Cleaning Savings	-	-	100	100
Procurement	-	66	120	186
37 hour working week	-	-	700	700
Commissioning	-	200	400	600
Services Reviews - Home Care	-	50	150	200
- Planning	-	41	-	41
- Street Scene	-	46	15	61
Inflation allowance etc. Review	-	500	400	900
Top Slice/Efficiencies	-	450	475	925
Roll Reduction	-	100	200	300
Other Savings	-	50	100	150
Policy Priorities	-	150	150	300
	<hr/>			
Total	89	2553	3840	6482

A Puckrin
29/11/2010