

Cabinet

11 November 2013

Agenda item:

Wards:

Business Plan Update 2014-2018

Lead officer: Caroline Holland

Lead member: Councillor Mark Allison

Key Decision Reference Number: This report is written and any decisions taken are within the Budget and Policy Framework Procedure Rules as laid out in Part 4-C of the Constitution.

Contact officer: Paul Dale, Interim Assistant Director of Resources

Recommendations:

1. That Cabinet agree the proposed amendments to savings and incorporate the financial implications into the draft MTFS 2014-18
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update to Cabinet on progress made towards implementing and achieving savings which have previously been agreed by Council. The full year effects of these savings have been incorporated into the MTFS 2013-17 and any savings which are not achieved or delayed will impact on the Council's overall financial position. This report discusses the management action proposed to address those areas where savings are not being achieved and recommends that Cabinet agree some amendments to savings and that the financial implications of these changes be incorporated into the draft MTFS 2014-18 .

2. DETAILS

Introduction

- 2.1 In recent years, the introduction of multi-year financial planning has resulted in savings agreed in a particular financial year having an impact on future years. These have been incorporated into the Council's Medium Term Financial Strategy. Currently, savings agreed as far back as 2011/12 have a financial implication for the current MTFS 2013-17.
- 2.2 However, sometimes circumstances change and some savings are either not achievable in full or in part or are delayed.
- 2.3 The full year effect of savings built into the current MTFS is summarised in the following table:-

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
2011/12 Savings	15	0	0	0
2012/13 Savings	9,086	5,477	(1,000)	0
2013/14 Savings	215	4,242	3,448	2,927
Total	9,316	9,719	2,448	2,927
Cumulative Total	9,316	19,035	21,483	24,410

2.4 A departmental analysis of the savings is provided in Appendix 1.

2.5 Proposed Amendments to Previously Agreed Savings

2.5.1 Children, Schools and Families

There are no changes proposed to existing savings.

2.5.2 Corporate Savings

Proposed deferral of savings and addition of new savings. Details of these proposed changes are set out in Appendix 2.

2.5.3 Community and Housing

Proposed revision and replacement of savings in 2014/15. Details of these proposed changes are set out in Appendix 3.

Details of other proposed amendments are currently being worked on and will be reported to Cabinet in December.

2.5.4 Environment and Regeneration

Proposed deferral of saving. Details of this proposed change is set out in Appendix 4.

Details of other proposed amendments are currently being worked on and will be reported to Cabinet in December.

2.5.6 Summary

The overall effect of the proposed amendments is set out in the following table:-

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Children, Schools & Families	0	0	0	0	0	0
Corporate Services	0	1	52	-116	0	-63
Community & Housing	0	350	-350	0	0	0
Environment & Regeneration	0	300	-300	0	0	0
Total	0	651	-598	-116		-63
Cumulative total	0	651	53	-63	-63	

To ensure that a balanced budget is achieved in 2014/15, the overall effects of rephrasing savings between years will be adjusted using the reserve set up for closing future years budget gaps. A revised draft MTFS 2014-18 will be reported to Cabinet in December.

3. CONSULTATION UNDERTAKEN OR PROPOSED

- 3.1 There will be extensive consultation as the business plan process develops. This will include the Overview and Scrutiny panels and Commission, the Financial Monitoring Task Group, business ratepayers and all other relevant parties.
- 3.2 Feedback on scrutiny of these proposals will be provided by the Overview and Scrutiny Commission on 26 November 2013.

4. TIMETABLE

- 4.1 The business planning timetable for 2014/15 has been reported to and agreed by Cabinet previously.

5. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 5.1 All relevant implications have been addressed in the report.

6. LEGAL AND STATUTORY IMPLICATIONS

- 6.1 All relevant implications have been addressed in the report.

7. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 7.1 Not applicable

8. CRIME AND DISORDER IMPLICATIONS

- 8.1 Not applicable

9. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 9.1 Not applicable

APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix 1 Savings Built into the Current MTFS

Appendix 2 Proposed amendments to Corporate Services Department savings

Appendix 3 Proposed amendments to Community & Housing Department savings

Appendix 4 Proposed amendments to Environment & Regeneration Department savings

BACKGROUND PAPERS

Budget files held in the Corporate Services department.

REPORT AUTHOR

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APPENDIX 1

SUMMARY OF FULL YEAR EFFECT OF SAVINGS

CE/CS	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
2011/12 Savings				
2012/13 Savings	555	314		
2012/13 Savings	(31)	31		
2013/14 Savings	0	1,446	801	630
	524	1,791	801	630
CSF	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
2011/12 Savings	0			
2012/13 Savings	822	710		
2013/14 Savings	0	150	631	250
	822	860	631	250
E&R	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
2011/12 Savings	15			
2012/13 Savings	2,023	2,197		
2012/13 Savings	(400)	400		
2012/13 Savings	(200)	200		
2013/14 Savings	215	1,456	602	439
	1,653	4,253	602	439
C&H	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
2011/12 Savings	0			
2012/13 Savings	6,317	1,625	(1,000)	
2013/14 Savings	0	1,190	1,414	1,608
	6,317	2,815	414	1,608
TOTAL	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
2011/12 Savings	15	0	0	0
2012/13 Savings	9,086	5,477	(1,000)	0
2013/14 Savings	215	4,242	3,448	2,927
Total	9,316	9,719	2,448	2,927
Cumulative	9,316	19,035	21,483	24,410

CORPORATE SERVICES DEPARTMENT

AMENDMENT TO PREVIOUSLY AGREED SAVINGS

Original Savings		Original Savings	Revised Savings				
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Description of Saving
CS16 13/14	I&T	35	0	0	-35	0	Description I&T Saving deferred Surrender of remainder of ITSD overtime budget
CS45 13/14	Resources	0	-52	0	0	0	Resources Saving brought forward from 2015/16 Resources -Improved Cash Management
CS12 12/13	Customer Services	50	0	0	-50	0	Customer Services Saving deferred Support Services - delete1 f.t.e. manager post.
CS13 12/13	Customer Services	31	0	0	-31	0	Customer Services Saving deferred Recovery/Bailiffs - reduce debt recovery/bailiff admin. By 1 f.t.e.
New	Replacement Saving	0	-23	0	0	0	Replacement saving Communications Admin. Assistant (See details attached)
New	Replacement Saving	0	-40	0	0	0	Replacement Saving Advertising, film and sponsorship officer (See details attached)
Total Corporate Services Savings		116	-115	0	-116	0	

NB £52k saving for CS45 agreed in 2015/16 to be brought forward to 2014/15.

Savings Type

SS2	Staffing: reduction in costs due to deletion/reduction in service
SNS1	Non - Staffing: reduction in costs due to efficiency
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service
SP1	Procurement / Third Party arrangements - efficiency
SP2	Procurement / Third Party arrangements - deletion/reduction in service
SG1	Grants: Existing service funded by new grant
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant
SPROP	Reduction in Property related costs
SII	Income - increase in current level of charges
SI2	Income - increase arising from expansion of existing service/new service

Panel

Children & Young People
Corporate Capacity
Healthier Communities & Older People
Sustainable Communities

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15
REPLACEMENT SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 13/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
		Service Description Delete Communications Admin Assistant post as the outcome of Public Value Review. Service Implication Reducing the team could impact the quality and level of service Staffing Implications Delete vacant post Business Plan implications None Impact on other departments Impact on internal communications Equalities Implications None	317	23			Low	Medium	SS1
		Service Description Delete Advertising, Film and Sponsorship Officer post as the outcome of Public Value Review. Service Implication The deletion of this post will make further income generation opportunities more difficult Staffing Implications Delete vacant post Business Plan implications None Impact on other departments None Equalities Implications None	317	40			Low	Medium	SS1
Total Corporate Services Savings				63	0	0			
Total Corporate Services Target Savings									
(Shortfall)/Surplus				63	0	0			

Savings Type

SS1	Staffing: reduction in costs due to efficiency
SS2	Staffing: reduction in costs due to deletion/reduction in service
SNS1	Non - Staffing: reduction in costs due to efficiency
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service
SP1	Procurement / Third Party arrangements - efficiency
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Panel

C&YP	Children & Young People
O&S	Overview & Scrutiny
HC&OP	Healthier Communities & Older People
SC	Sustainable Communities

**COMMUNITY AND HOUSING DEPARTMENT
AMENDMENT TO PREVIOUSLY AGREED SAVINGS**

Original Savings		Original Savings	Revised Savings					
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000		Description of Saving
ASC14	<u>Adult Social Care</u> Supported Living (Including De-registration)	100	250	0	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	<u>Adult Social Care</u> Remove Day Care Costs from Residential Customers Cessation of day care costs from residential customers care support packages. None None None See overall EIA
ASC55	Procurement Efficiencies	206	50	0	0	0	Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	Reduction in staffing in Access and Assessment Risk of increased delays in assessments and care planning and/or reductions in reviews Reduction in staffing None None See overall EIA
ASC18	Supporting People	350	0	350	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	Reduce additional commissioned services. Reduction and cessation of other commissioned services. None None None See overall EIA
CH11	Supporting People (Additional)	100	36	0	0	0	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	All Saints Respite Extension Extend All Saints Respite Service offer to PD customers. None None None See overall EIA
NEW	Replacement Saving	0	70	0	0	0	Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	Assistive Technology Roll out of 'Just Checking' system as part of the customer assessment process (reinstatement and revised figure for the former ASC10 - optimise telecare usage). None None None See overall EIA
Total Community and Housing Savings		756	406	350	0	0		

Savings Type

SS2	Staffing: reduction in costs due to deletion/reduction in service
SNS1	Non - Staffing: reduction in costs due to efficiency
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service
SP1	Procurement / Third Party arrangements - efficiency
SP2	Procurement / Third Party arrangements - deletion/reduction in service
SG1	Grants: Existing service funded by new grant
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant
SPROP	Reduction in Property related costs
S11	Income - increase in current level of charges
S12	Income - increase arising from expansion of existing service/new service

Panel

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ENVIRONMENT AND REGENERATION DEPARTMENT
AMENDMENT TO PREVIOUSLY AGREED SAVINGS

Original Savings		Original Savings	Revised Savings				
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Description of Saving
ER10	EHTSL	400	100	300*	0	0	Description EHTSL Regulatory Services Merton, Sutton, Kingston and Sutton are in the process of exploring the possibility of sharing 'regulatory services' or of one authority becoming the lead provider of services for other council(s). Merton is relatively well placed to act as lead provider in a number of service areas as a result of the high level of professional expertise and knowledge that is not reflected in the other boroughs involved. This approach would maintain a level of resilience.
Total Environment and Regeneration Savings		400	100	300*	0	0	

* £70k of this saving will be transferred to C&H as a result of the associated budgets becoming their responsibility.

Savings Type

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