

2017/18 Pre-Budget Financial Proposals - Changes to Position Brought Forward

Appendix 1

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
	Budget Deficit Brought Forward		10,563	24,299	35,944
1	Previous Savings Not Delivered	A delay in the delivery of savings is anticipated in the following areas in 2017/18 only: Adult Social Care online self-assessment (£0.1m), whole Council review of employment costs (£1.3m), Face/Telecare Systems (£2m), All Age Disability high care packages (£0.3m), Financial Assessment charging process (£0.1m), Children's Transformation process redesign (£2.1m), Children's Transformation programme residential redesign (£0.25m), Edge of Care (£0.7m), external Residential Care re-commissioning (£0.8m), Fostering & Specialist fostering (£0.6m), Supported Accommodation (£0.15m), Highways and Property restructure (£0.2m)	8,611	0	0
	<b>Revised Medium Term Deficit</b>		<b>19,174</b>	<b>24,299</b>	<b>35,944</b>
	<b><u>Resource Changes</u></b>				
2	Council Tax-Base	This represents a significant improvement in the level of Council Tax income that is likely to be available. It incorporates the 2015/16 actual Council Tax surplus and 2016/17 projected surplus in excess of previous estimates. This reflects increases in the city's tax-base above the underlying estimate and includes the effects of continuing reductions in the level of Council Tax Reduction Scheme payments and tighter review and management of discounts. The position will be finalised at final Budget Report stage.	(3,500)	(500)	(500)
3	New Homes Bonus	Additional grant expected. This reflects Coventry's share of unallocated resources available nationally and underlying new housing growth across the city. Given proposed future reductions in New Homes Bonus it is difficult to predict the medium term availability of this resource.	(300)	0	0
4	Better Care Fund (Adult Social Care)	The Council's 2016/17 Budget included very significant increases in the projected costs of adult social care. Corresponding indicative Better Care Fund grant resources for managing services delivered between Adult Social Care and health are being built in here. This will enable the Council to manage previous costs included in the budget for Adult Social Care.	0	(5,960)	(5,960)
5	Education Support Grant (Pension Liability)	This reflects a further reduction in Education Support Grant. The Council is unable to reduce that part of the corresponding expenditure which relates to historic pension liabilities.	758	1,300	1,300
	<b>Total Resource Changes</b>		<b>(3,042)</b>	<b>(5,160)</b>	<b>(5,160)</b>

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
	<b><u>Technical and Corporate Savings</u></b>				
6	Salary and Inflation Contingencies	This assumes that previously planned for amounts for pay awards, pensions' increases from the current actuarial review and pensions auto-enrolment from 1st April 2017 can be scaled back compared with previous medium term estimates. This position will be finalised at final Budget Report stage.	(2,000)	(2,000)	(2,000)
7	Asset Management Revenue Account	This corporate budget incorporates the revenue financing costs of capital spending and the financial impact of the management of the Council's cash balances. The re-profiling of capital spend to later years has two effects – it decreases capital refinancing costs and increases investment income as a result of higher cash balances. There is also an impact as a result of the full impact being felt of the new Minimum Revenue Provision (MRP) policy which was introduced in February 2016.	(1,500)	(1,500)	(1,500)
8	Audit Fee	The audit fee payable to the Council's external auditors Grant Thornton has reduced from £231k to £173k. These costs are subject to a national scale of fees.	(58)	(58)	(58)
9	Airport Dividends	This reflects a marginal change in the Council's projected dividend from its shares in Birmingham International Airport.	(145)	12	(66)
10	Combined Authority	For 2016/17 Budget Setting the Council had set aside £500k (on-going) as an initial estimate of the cost of supporting development of Combined Authority proposals. Moving forward, the current estimate of these costs is that they will be c£250k. This creates a saving compared with the previous budgeted amount.	(250)	(250)	(250)
11	Coventry & Solihull Waste Disposal Company Dividends	Coventry and Solihull Councils will continue to challenge to seek to maximise returns from their shareholding in the waste disposal company	(500)	(250)	(250)
12	Coventry Investment Fund	The CIF was established in 2013 to support investment in schemes that generate business rates growth. It is proposed no further funding which attracts a revenue cost should be committed. Future schemes may be eligible for WMCA funding or Council funding on an individual basis where it can be demonstrated that this is cost neutral.	(550)	(1,939)	(1,926)

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13	Sports Contingency	Remove contingency set aside to develop sports provision across the city.	(150)	(150)	(150)
14	Policy Contingency	This budget allows the lead member for finance to support high priority policy developments. It underspends on a regular basis and this proposal is to limit the budget to £75,000 per annum.	(83)	(83)	(83)
	<b>Total Technical and Corporate Savings</b>		<b>(5,236)</b>	<b>(6,218)</b>	<b>(6,283)</b>
	<b>Savings Proposals</b>				
15	Commercial Property - Asset Opportunities	Creation of new income streams from the re-investment of the receipts from the disposal of non income earning assets	(250)	(300)	(300)
16	General - Car Parking, Pest Control, Bereavement	Opportunities exist to increase charges and/or improve full cost recovery in some service areas. The key services where it is considered this is achievable are bereavement services, car parking and parts of the pest control service	(500)	(500)	(500)
17	Employment Costs	Review the Councils employment costs.	0	(1,000)	(5,000)
18	Regional Shared Traffic Management Service	West Midlands (Combined Authority) wide traffic and transportation provision. This would require the co-operation of other WM authorities.	0	(150)	(150)
19	Developing a Commissioning Function with the Health Economy	The People Directorate contains a number of commissioning functions across its services. An initial review of the benefits of consolidating functions will be carried out to deliver initial savings. Further work on opportunities for integrating with health colleagues will also form part of this work.	0	(180)	(180)
20	Adult Social Care Commissioning - Voluntary and third sector sector	Review voluntary sector spend to reprioritise against Council objectives resulting in either a direct reduction in actual costs of care and support or a reduction in voluntary and third sector spend	0	(500)	(500)
21	Merge apprenticeships and Employment Services	Two separate teams currently manage apprenticeships internally and externally. Combining into one team produces a cost saving but also provides a more joined up function.	(75)	(75)	(75)
22	Revenues and Benefits Service business process review	Review of business processes for the administration of Revenues and Benefits - to include an improved digital offering and automated self service solutions – to realise efficiencies in back office administration.	0	(50)	(150)
23	Consumer Protection	The proposal would put an end to pre-emptive work of trading standards, reverting to statutory enforcement function only.	(75)	(75)	(75)
24	Parks and Street Cleansing	Identification of further service reductions to cleansing and grass cutting schedules accross the city and in parks. This could also include reducing the the number of litter bins or how often they are emptied.	(500)	(500)	(500)

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
25	Cease Mobility Pathways	Close the shopmobility service, which lends out free scooters and powered wheelchairs to people with a disability who shop in the city centre.	(50)	(50)	(50)
26	Re-design of household waste collection	Residents currently have three bins - a blue lidded bin for recycling (collected every other week), a brown lidded bin for garden waste (collected every other week between March & November) and a green lidded bin for household waste including food (collected weekly).  This proposal would see the garden waste service extended to the full year, with the added benefit that this bin would also accept food waste. Green lidded bins for household waste would then be collected on the week following the garden and food waste collection. This ensures that residents could dispose of food waste weekly if they wish. The blue lidded bin would be collected as currently. The proposed savings acknowledge that flats have limited space for bin storage and often do not have private gardens and hence no brown lidded bins. The saving figures therefore assumes <del>changes to flat collection arrangements</del> .	0	(1,000)	(1,000)
27	Schools Cleaning decentralisation	The cost to the Council of providing this service to schools has risen significantly in the last two years. This, together with falling customer numbers has resulted in the service becoming unsustainable financially. It is proposed that school cleaning teams are transferred to and managed directly by schools from the start of the 2017/18 academic year.	(50)	(50)	(50)
28	Employment Team/Job Shop/Youth employment	This proposal would end most of the employment support services provided by the Council. This would mean closing the Job shop, stopping the NEETS placement service and the Youth Employment Initiative.	(500)	(500)	(500)
29	Business Investment Activity	This option would impact on the team handling inward investment in the city. It would also result in significant loss of grant and the ability to deliver other grant programmes.	(100)	(100)	(100)
30	Highways - reduce reactive repairs	Improvements in our asset management systems are allowing us to target repairs more efficiently. However, we will continue to monitor the speed with which we repair potholes and will ensure that all priority repairs (potholes deeper than 1.5 inches) continue to be dealt with within 5 days	(100)	(100)	(100)
31	Planning Capacity Reduction	Reduction of the cost and/or increase income within the planning function	(100)	(100)	(100)
32	Community Development and Engagement functions	Review of Community Development and Engagement functions to ensure functions can deliver required support	(100)	(150)	(150)
33	Revenues and Benefits staffing levels	Review of staffing levels across the service within the context of channel shift, merging of cross service functions and a diminishing housing benefit caseload resulting from the phased implementation of universal credit.	(100)	(200)	(200)

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34	Council Tax Support Threshold	Further revision of the Council Tax Support Scheme.	0	(2,000)	(2,000)
35	Cabinet Member Meetings/Ward Forums	Cease formal Cabinet member meetings and Ward Forum	(50)	(50)	(50)
36	Citivision	Cease hard-copy Citivision delivered to Coventry homes	(50)	(50)	(50)
37	Sustainability Team Commercialisation	Reduction of the cost and/or increase income within the Sustainability Team.	(75)	(125)	(125)
38	Highways Repairs - reduce programme and/or backfill from capital.	The value of spend on highway repairs will remain the same in 2017/18 but £500k will be funded from capital receipts rather than the existing revenue budget. In future years a decision will be required on whether the budget is reduced or further capital receipts are used to fund expenditure up to existing levels.	(500)	(500)	(1,000)
39	Internally provided services - review options	A number of internally provided services continue to be delivered by Adult Social Care despite a number of closures and changes in recent years. This work will review the scope and benefits associated with further changes to the internal services.	0	(500)	(500)
40	Public Health - future contract tendering	As Public Health contracts are retendered, changes to delivery models and increased efficiency will be sought	0	(500)	(500)
41	All age disability review	Review of All Age Disability Service to ensure cost effective transition arrangements and management of costs meeting assessed needs.	0	(250)	(250)
42	Review of transport spend including SEN	People Directorate has significant levels of transport spend across service user groups. A review of transport delivery and eligibility is required to reduce cost and maximise independence	0	(500)	(500)
	<b>Total Savings Proposals</b>		<b>(3,175)</b>	<b>(10,055)</b>	<b>(14,655)</b>

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
	<b>Use of Existing One-Off Resources</b>				
43	Airport Dividend Reserve	Part use of £4.4m special airport dividend received in 2015/16	(1,000)	(900)	(800)
44	Use of Capital (revenue in Capital Programme)	Use of existing Capital Receipts to fund Capital Programme expenditure that is currently funded from revenue.	(3,000)	(3,000)	0
45	Insurance Reserve	Use of a small part of the existing Insurance Reserve to help balance revenue bottom line.	(200)	0	0
46	Fund Capital Costs from Capital Receipts	Identify capital receipts to fund capital spend and replace planned borrowing costs.	(500)	(500)	(500)
47	One-Off Reserves	Identify one-off reserve balances to help balance revenue budget on a one-off basis.	(2,000)	0	0
	<b>Total Use of Existing One-Off Resources</b>		<b>(6,700)</b>	<b>(4,400)</b>	<b>(1,300)</b>
	<b>Total Balance</b>		<b>1,021</b>	<b>(1,534)</b>	<b>8,546</b>