

Additions to the Labour Cabinet's proposals for Calderdale Council's budget: 2014/17

MORE FOR LOCAL PEOPLE, BETTER USE OF THE COUNCIL'S RESOURCES

Local people tell us that they look to their councillors to work together for the good of the local community. This is what we have been trying hard to do. Public consultation in 2010 guided the work that the Council had to do to make its books balance while maintaining local services – and that's what people told us that they wanted.

It was disappointing that after Labour took control of the Council in May 2013, without winning any more Council seats, they chose to devise the proposals for the Council's budget for the next 3 years, without seeking any involvement from any councillors other than their own. They said that they would be "open and transparent", but this is not our experience within the Council.

Therefore the Conservative and Liberal Democrat groups of councillors have separately examined the Cabinet budget proposals carefully, taken account of the results of the consultation and what local people and businesses have been saying to us, and have decided together to make the following proposals along three themes:

- a **Supporting a fairer society:** Local people tell us that they want us to protect local services. These proposals will give more power to local people through ward forums, working harder to put services together in "community hubs", and investing more in local services.

- a **Building a stronger economy:** A thriving local economy with more jobs for local people has to be at the heart of good communities, and we want to provide more help to local businesses and more encouragement for people to shop locally.

- a **Better Value for your money:** From our experience since 2010 in driving down the cost of Council services, we believe that there is more that can be done to raise income and save money, while protecting service.

Supporting a fairer society :

Remove saving for Resourceful Communities, increasing savings from Corporate Asset and Facilities Management: We want to see more effort put into co-locating services, concentrating on essential buildings owned and run by the Council, with a real drive to establish “community hubs” which will protect and promote local services (such as libraries), and enable closer working with local community groups

Community budgets: Given the success of the use made by local communities of the funding for Christmas activities in 2013, we propose allocating £5,000 per ward on a continuing basis. Its use would be determined through the ward forums, led by local Councillors, for the benefit of local people and the local community.

Increasing Safer, Cleaner, Greener teams: Local people value these services and have expressed a particular concern about taking action on dog fouling. This funding would increase the staffing numbers of each of the four teams by two posts. A particular target could be for half of these to be apprenticeships.

Funding for small capital works on schools: There are a number of schools across Calderdale, especially Primary schools, who need access to a small but significant amount of capital to help them do work on their buildings to provide a safe and modern learning environment. A proposal is being worked up through the Capital Programme Working group and we want to see a significant sum of money added to this.

Review Neighbourhood Working: It is essential that each area has access to a Neighbourhood Co-ordinator, and that ward forums are well organised. Anything additional to that requires careful examination and further proposals brought forward.

Building a stronger economy:

Developing business export links: While the Council’s Business Support service has been revised and is being funded, a vital but missing component is that of supporting businesses to develop their export links. We want to extend the success of some of our local businesses, especially manufacturing businesses.

Improving local parking arrangements: We propose rescinding the recent changes in the charges for parking in small local car parks and reducing the hours of town-centre parking charges from 8pm to 6pm, thus assisting the evening economy.

Introducing a parking shopping scheme: We want to introduce a voucher scheme to encourage people to park and shop in our town centres. This funding will pay for changing the parking meters, and paying for the scheme in years to come. People will get a voucher with their parking ticket which they can redeem when they use local shops which agree to participate in it.

Christmas trees and festive lighting: Especially in the recent hard economic times, local people tell us that they value the cheer and vibrancy that these bring to the area during the Christmas period by encouraging people to shop locally. This proposal maintains the recent level of spending while removing the need to search for funding sources each year.

Better Value for your money:

Efficiency savings from Transport Services: Even after the current planned reductions, the Council will still be spending over £5m per year on transport and we believe that a further saving of 5% could be achieved in 2015/16, by ensuring that efficient use is made of vehicles used by the Council.

Charging the cost of replacing wheelie bins: The current charge does not cover this cost and we propose to change this, but we also want to make sure that discretion continues to be used in the application of this charge to protect people in adversity.

Reducing sick pay: While management action is being taken to reduce the high level of short-term absence within the Council (at 9 days/year it is still higher the average 5 days/year in the private sector). We believe that an added incentive would be to cease paying for the first 3 days of sickness absence. We also want to give an additional day's leave for the following year to any employee who has no sickness leave within any financial year.

Removing the subsidy for the Trade Union: There have been concerns for some time that one staff Trade Union receives funding from the Council for its member of staff and facilities within Council buildings, although Trade Union members pay a subscription.

Subscription to Local Government Yorkshire and Humber: With the amalgamation of the Association of West Yorkshire Authorities with the Leeds City Region (and the establishment of the Combined Authority), there is no longer a function for this organisation and we therefore believe that this funding is no longer required.

Efficiency saving on Planning services: There are three vacant posts in Planning which we believe can be deleted without detriment to the service.

Reducing Council tax increases in the Medium Term Financial Strategy: We are pleased that the Council will be freezing Council tax in this coming year, but the Medium Term Financial Strategy has an increase of 2% built in for the following two years. We hope that there will be no increase in Council tax in those two years but, at the moment, we plan to freeze the Council tax again in 2015/16 and reduce the planned increase in 2016/17 to 1%.

We will therefore be proposing these changes and additions to the Labour Cabinet's budget at the forthcoming Budget Council meeting on 24th February.

Councillor Stephen Baines
Leader, Conservative Group

Councillor Janet Battye
Leader, Liberal Democrat Group

Budget Summary and Council Tax Requirement 2014/15

Budget Requirements	Adjusted 2014/15 Standstill Budget £'000	BUDGET PROPOSALS		2014/15 Budget £'000
		Growth £'000	Savings £'000	
Directorate Expenditure - Cost of CMBC Services to the Public				
Chief Executive's Office	5,630,876	0	-30,000	5,600,876
Adult Health & Social Care	50,305,606	0	0	50,305,606
Children and Young People	34,610,658	200,000	0	34,810,658
Economy & Environment	20,434,560	1,437,000	-1,270,000	20,601,560
Communities	19,493,724	261,000	-100,000	19,654,724
Total of Directorate Budgets	130,475,424	1,898,000	-1,400,000	130,973,424
Directorate Centrally Controlled Budgets	28,818,076			28,818,076
Levies, Accounting Adjustments & Cross Council Savings	9,447,825		-876,000	8,571,825
Total Gross Requirements	168,741,325	1,898,000	-2,276,000	168,363,325
Contribution from Earmarked Reserve			-500,000	-500,000
Requirement after use of Earmarked Reserves	168,741,325	1,898,000	-2,776,000	167,863,325
Invest to Save		500,000		500,000
Council Tax Collection Fund - Surplus	-600,000		-119,000	-719,000
Contribution from(-)/(+)to Balances	-337,730	641,075		303,345
Total Net Requirements	167,803,595			167,947,670

2014/15 Calculation of Calderdale MBC Element of Council Tax

2013/14 Council Tax 2 Adults £ p	1 Adult £ p		£	2014/15 Band D Equivalent 2 Adults £ p	
		Calderdale MBC Net Expend (excl Parishes)	167,947,670		
		Retained Rates (net of 2013/14 b/f deficit)	-27,988,628		
		Top-up	-9,379,553		
		Business Rate grants (inc Small Business Rate Relief)	-2,329,982		
		Revenue Support Grant	-45,144,040		
		Council Tax Freeze Grant 2014/15	-841,204		
		NHS Funding Transfer/Local Services Support Grant	-6,787,416		
		Redistributed Topslice NHB	-125,583		
		New Homes Bonus	-2,938,619		
1,251.43	938.57	Met by Council Tax	72,412,645	1,251.43	0.00%

Impact of the Police and the Fire and Rescue Authority Precepts

2013/14 Council Tax 2 Adults £ p	1 Adult £ p		£	Band D Equivalent 2 Adults £ p	Change %
1,251.43	938.57	Calderdale MBC	72,412,645	1,251.43	0.00%
57.40	43.05	WY Fire and Rescue Authority*	3,321,391	57.40	0.00%
135.50	101.63	Police and Crime Commissioner for West Yorkshire*	7,996,742	138.20	1.99%
1,444.33	1,083.25	Met by Council Tax	83,730,778	1,447.03	0.19%

In addition Parish Precepts will be levied in some areas

7.87	5.9025	Total Parish Precepts	456,176	7.88	0.13%
1,452.20	1,089.15	Average Calderdale Council Tax	84,186,954	1,454.91	0.19%

Note

*Police and Crime Commissioner for West Yorkshire and West Yorkshire Fire and Rescue Authority precepts are subject to final approval

Budget Summary and Indicative Council Tax Requirement 2015/16

Budget Requirements	Adjusted 2015/16 Standstill Budget £'000	BUDGET PROPOSALS		2015/16 Budget £'000
		Growth £'000	Savings £'000	
Directorate Expenditure - Cost of CMBC Services to the Public				
Chief Executive's Office	4,974,436	0	-30,000	4,944,436
Adult Health & Social Care	48,798,616	0	-600,000	48,198,616
Children and Young People	33,814,968	200,000	-80,000	33,934,968
Economy & Environment	20,061,861	1,468,000	-1,320,000	20,209,861
Communities	18,713,004	261,000	-800,000	18,174,004
Total of Directorate Budgets	126,362,885	1,929,000	-2,830,000	125,461,885
Directorate Centrally Controlled Budgets	30,405,568			30,405,568
Levies, Accounting Adjustments & Cross Council Savings	9,103,515		-3,565,000	5,538,515
Total Gross Requirements	165,871,968	1,929,000	-6,395,000	161,405,968
Contribution from Earmarked Reserve			-1,309,250	-1,309,250
Requirement after use of Earmarked Reserves	165,871,968	1,929,000	-7,704,250	160,096,718
Contribution to Economic Investment Fund		500,000		500,000
Contribution from(-)/(+)to Balances	-1,583,285		-625,728	-2,209,013
Total Net Requirements	164,288,683			158,387,705

2015/16 Calculation of Calderdale MBC Element of Council Tax

2014/15 Council Tax			£	2015/16 Band D Equivalent	
2 Adults £ p	1 Adult £ p			2 Adults £ p	Change %
		Calderdale MBC Net Expend(excl Parishes)	158,387,705		
		Retained Rates	-29,781,136		
		Top-up	-9,638,436		
		Small Business Rate Relief	-1,510,660		
		Revenue Support Grant	-31,780,885		
		Council Tax Freeze Grant 2014/15	-1,682,408		
		NHS Funding Transfer/Local Services Support Grant	-8,642,916		
		New Homes Bonus	-2,938,619		
1,251.43	938.57	Met by Council Tax	72,412,645	1,251.43	0.00%

Budget Summary and Indicative Council Tax Requirement 2016/17

Budget Requirements	Adjusted 2016/17 Standstill Budget £'000	BUDGET PROPOSALS		2016/17 Budget £'000
		Growth £'000	Savings £'000	
Directorate Expenditure - Cost of CMBC Services to the Public				
Chief Executive's Office	5,130,716	0	-230,000	4,900,716
Adult Health & Social Care	50,036,576	0	-850,000	49,186,576
Children and Young People	34,500,648	200,000	-80,000	34,620,648
Economy & Environment	20,889,921	1,468,000	-1,520,000	20,837,921
Communities	19,321,069	261,000	-800,000	18,782,069
Total of Directorate Budgets	129,878,930	1,929,000	-3,480,000	128,327,930
Directorate Centrally Controlled Budgets	30,407,438			30,407,438
Levies, Accounting Adjustments & Cross Council Savings	11,075,474		-11,115,000	-39,526
Total Gross Requirements	171,361,842	1,929,000	-14,595,000	158,695,842
Contribution from Earmarked Reserve			-5,195,750	-5,195,750
Requirement after use of Earmarked Reserves	171,361,842	1,929,000	-19,790,750	153,500,092
Contribution to Economic Investment Fund		500,000		500,000
Contribution from(-)/(+)to Balances			-1,278,551	-1,278,551
Total Net Requirements	171,361,842			152,721,541

2016/17 Calculation of Calderdale MBC Element of Council Tax

2015/16 Council Tax			£	2016/17 Band D Equivalent	
2 Adults £ p	1 Adult £ p			2 Adults £ p	Change %
		Calderdale MBC Net Expend(excl Parishes)	152,721,541		
		Retained Rates	-30,399,996		
		Top-up	-9,831,205		
		Revenue Support Grant	-26,700,000		
		Council Tax Freeze Grant 2014/15	-1,682,408		
		NHS Funding Transfer/Local Services Support Grant	-8,032,790		
		New Homes Bonus	-2,938,619		
1,251.43	938.57	Met by Council Tax	73,136,523	1,263.94	1.00%

Head of Finance's Report

The Local Government Act 2003 requires that in making decisions in relation to setting its Council Tax that the Authority's Chief Finance Officer must report on:

- a) the robustness of the estimates made for the purpose of the calculations, and
- b) the adequacy of proposed financial reserves.

These, in conjunction with the balanced budget requirement of The Local Government Finance Act (1992), mean that Members are required to have regard to the Head of Finance's report when making their budget setting decisions.

The budget builds upon the existing savings targets and plans which are in place following previous decisions made at Budget Council and which are summarised in the table below:

	Agreed Savings		
	2014/15 £'m	2015/16 £'m	2016/17 £'m
Budget Council 2010	13.9	13.9	13.9
Budget Council 2011	29.0	29.0	29.0
Budget Council 2012	13.7	13.7	13.7
Budget Council 2013	9.5	15.4	15.4
Total	66.1	72.0	72.0

The budget provides clear proposals for action to deliver longer term cost reductions and efficiency savings. This is in line with the Council's agreed Medium Term Financial Plan, last year's Autumn Statement and the Provisional Local Government Finance Settlement.

The Head of Finance has reached this view following involvement in regular meetings with Cabinet Members and Directors since October and subsequent meetings with Liberal Democrat and Conservative Group Members about changes to the Cabinet budget proposals. The proposals in the later years of the planning period need to be developed further in more detail but are considered to be sufficiently robust at this stage.

In addition, a detailed review of budgets was undertaken in updating the standstill budget position. This included a complete review of identifiable pay and prices changes. All centrally controlled budgets have been updated and a detailed assessment made of debt and borrowing costs over the plan period.

The draft budget maintains unallocated balances (financial reserves) just above £5m. The minimum level is in line with my overall assessment of major financial risks, as set out in the Council's Medium Term Financial Strategy. It also reflects the recommendation of the Council's appointed external auditors. This level of balances relates to non-school spending, as schools retain balances of their own.

In addition to the unallocated balances referred to above, the Council holds earmarked reserves to cover potential future costs to the Council of issues such as workforce planning and insurance. The earmarked reserves are mainly for specific purposes and do not carry a recommended level or limit. As such it is of vital importance that these reserves are reviewed periodically in order to ascertain their continued validity and level. Regular consideration should be given to whether they could be put to better use elsewhere in subsequent years.

The earmarked reserves are formally reviewed three times a year. Firstly, this is done as part of the development of the Medium Term Financial Strategy, secondly as part of the formal budget setting process and finally as part of the closedown procedures at the end of the financial year. Monitoring and further reviews are also undertaken throughout the year as part of the quarterly Revenue Monitoring process.

The adequacy of all major reserves and balances have been examined to ensure that they are sufficient to support the key financial assumptions held within the Medium Term Financial Strategy which also underpins the Liberal Democrat/Conservative Party's Revenue Budget Proposals for the three year period 2014/15 to 2016/17. The latest review as part of the budget process has identified that the level of reserves and balances is adequate for this purpose and that existing earmarked reserves of around £6m can be utilised over the planning period to support the Council's revenue budget.

Given the uncertainties of the economic environment and the scale of the expenditure reductions required, there will inevitably be significant risks involved in delivering a balanced budget. The Head of Finance has therefore taken a risk management approach to the budget process and has set out below the key risks associated with the proposed budget and how they can be managed.

Although the Council continues to manage its finances in a prudent manner some assumptions and forecasts have necessarily had to be made where information is not yet available. The key assumptions within the budget are considered to be:-

- a Government grant (excluding Core Grants) will be reduced as per the provisional figures for Calderdale for 2014/15 and 2015/16 and in line with the national control totals in 2016/17
- a The Council will be able to use a proportion of the health and social care pooled budget from 2015/16 to support social care priorities and pressures
- a A Council Tax freeze in 2014/15 and 2015/16 will be supported by grant from the Government over the whole three year period and beyond. A 1% increase in Council Tax will be allowable in 2016/17.

The Council has established consultation processes and procedures which will be used to negotiate implementation of the proposals with stakeholders.

The Council has an embedded savings monitoring process already in place which has been used to good effect since 2010. This involves the use of the Council's performance monitoring system (Making a Difference) and regular review meetings between The Leader, Deputy Leader, Chief Executive, Directors and Head of Finance.

Finally, due to the three year planning process in place, there is sufficient lead-in time for contingency plans to be formulated in future budget rounds should problems become apparent.

Chief Executive's Office – Savings

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Subscription to Local Government Yorkshire & Humber	-30	-30	-30
Further review of the Chief Executive's Office including cost of democracy			-100
Review of the Finance Service			-100
SAVINGS TOTAL	-30	-30	-230

Adults, Health and Social Care – Savings

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Whole system review of Mental Health Services		-300	-300
Review of Occupational Therapy Assessment Service (OTAS)		-300	-300
Review of in-house Shared Lives Service			-250
SAVINGS TOTAL	0	-600	-850

Children and Young People – Growth

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Funding for small capital works on schools	200	200	200
GROWTH TOTAL	200	200	200

Children and Young People – Savings

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Review of contracts held by the Children's Commissioning Team		-80	-80
SAVINGS TOTAL	0	-80	-80

Economy and Environment – Growth

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Developing business export links	50	50	50
Improving local parking arrangements	250	200	200
Introducing a Parking Shopping Scheme	47	20	20
Christmas Trees and Festive Lighting	90	90	90
Car parking income pressures/shortfall	1,000	1,000	1,000
Business and Economy Service strategy and structure		108	108
GROWTH TOTAL	1,437	1,468	1,468

Economy and Environment – Savings

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Increased savings from Corporate Asset and Facilities Management	-500	-500	-700
Efficiency saving from Transport Services	0	-250	-250
Charging the Cost of Replacing Wheelie Bins	-50	-50	-50
Efficiency saving on Planning Dept	-120	-120	-120
Review of the Environmental Health and Housing Services budget		-50	-50
Efficiencies to the waste budget	-600	-100	-100
Reduced transport costs for waste disposal		-100	-100
Reduction in cost of providing food waste bags		-100	-100
Woodhouse closed landfill site improvements		-50	-50
SAVINGS TOTAL	-1,270	-1,320	-1,520

Communities and Business Change – Growth

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Community budgets: £5,000/ward	85	85	85
Increasing Safer, Cleaner, Greener teams	176	176	176
GROWTH TOTAL	261	261	261

Communities and business Change – Savings

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Review Neighbourhood Working	-100	-200	-200
Realignment of Voluntary Sector Commissioning (VSC)		-100	-100
Review of Human Resources and Business Change and Performance Management		-500	-500
SAVINGS TOTAL	-100	-800	-800

Cross Council – Savings

BRIEF DESCRIPTION	2014/15 Total £000	2015/16 Total £000	2016/17 Total £000
Reducing Sick Pay	-200	-400	-400
Removing the Subsidy for the Trade Union	-37	-37	-37
Collaborative working with other authorities/agencies		-100	-300
Improved demand management/preventative services			-500
Reduce provision for pay from 2% to 1% in 2016/17			-1,000
Remove provision for non-contract price inflation in 2016/17			-600
Reducing the subsidy on subsidised services			-150
Remove provision for budget pressures		-1,500	-1,700
West Yorkshire Joint Services review	-39	-78	-78
Future Workforce Programme		-600	-5,500
Realigning other services with Public Health outcomes	-600	-850	-850
SAVINGS TOTAL	-876	-3,565	-11,115

**Estimated Available Revenue Balances from
31st March 2014 to 31st March 2017**

	£
Estimated available General Fund Revenue Balances as at 31st March 2013	8,592,000
In year Approvals	-347,000
Revised available General Fund Revenue Balances as at 31st March 2014	8,245,000
Planned contribution to(+)/(-)from Balances 2014/15	303,345
Estimated available General Fund Revenue Balances as at 31st March 2015	8,548,345
Planned contribution to(+)/(-)from Balances 2015/16	-2,209,013
Estimated available General Fund Revenue Balances as at 31st March 2016	6,339,332
Planned contribution to(+)/(-)from Balances 2016/17	-1,278,551
Estimated available General Fund Revenue Balances as at 31st March 2017	5,060,781