

18 January 2010		ITEM 4
Children's Services Overview and Scrutiny Committee		
DRAFT 2010/11 BUDGET PROPOSALS FOR CONSULTATION		
Portfolio Holder: Cabinet Member for Finance and Corporate Performance - Councillor Barry Johnson		
Wards and communities affected: All	Key Decision: Yes	
Accountable Head of Service: All		
Accountable Director: All		
This report is Public		
Purpose of Report: To ask Children's Services Overview and Scrutiny to review and make any comments or representations to Cabinet in respect of the draft General Fund Budget for 2010/11 and consider the proposals for the capital programme.		

1 RECOMMENDATIONS:

- 1.1 Overview and Scrutiny is asked to consider the draft General Fund Budget and Capital Programme bids and submit any comments on the proposals to the Cabinet.**
- 1.2 To note that the General Fund Budget will be presented before the Cabinet on 17 February 2010, and the budget and Council Tax to the meeting of the Council on 24 February 2010.**
- 1.3 To note that a separate report on Fees and Charges will be submitted to the Committee on 28 January 2010.**

2 INTRODUCTION AND BACKGROUND

- 2.1 The setting of the Council budget and resultant Council Tax levels is an annual process which authorities must complete by 2 March each year prior to the commencement of the financial year on 1 April.
- 2.2 The 2010/11 provisional Local Government Finance settlement indicates a 3% (£1.74m) increase for Thurrock over 2009/10. This is in line with the

announcement in November 2008. The government has also reserved its right to “cap” excessive increases in Council Tax rises and will require them to re-bill households for a lower council tax if necessary.

- 2.3 The Council’s 3% rise in Formula Grant compares to a national average increase for all authorities of 2.6% and an average increase for unitary authorities of 3%. The provisional Dedicated Schools Grant (DSG) has also been announced at £98.499m, an increase of 3.6% (£3.44m). This is subject to change arising from an annual count of pupil numbers carried out in January of each year. The Area Based Grant allocation is £9.998 million; this includes the transfer of the Supporting People Grant to the Area Based Grant. Specific grant allocations have been announced and relate mainly to Children and Education. Non-domestic rates are set nationally by the Government and collected locally by Councils (billing authorities). Businesses have been the subject of a recent revaluation exercise. The multipliers (the rates payable for every pound of rateable value) for 2010/11 are 40.7p for small businesses and 41.4p for other businesses.
- 2.4 The consultation on the finance settlement ends on 6 January 2010 and a final announcement will be made soon after. An update will be reported to Cabinet in February 2010, with a verbal update to the January meeting of the Cabinet if the outcome is known
- 2.5 Attached at Appendix A is the report to Cabinet of 16 December 2009 which outlines the draft 2010/11 General Fund Budget and proposals for the Capital Programme. This report sets out the options being considered for budget setting which have been produced by officers in consultation with the portfolio holders. Overview and Scrutiny are asked to consider whether it wishes to make any comments or representations to Cabinet when the budget report is considered at its meeting on the 17 February 2010.
- 2.6 Members’ attention is drawn to the High Level Budget assumptions in Appendix 1 of the Cabinet Report. These have been used in producing the budgets before any growth and savings.
- 2.7 Members’ specific attention is drawn to the growth and savings relating to the Overview and Scrutiny’s remit in Appendices 2, 3 and 4 of the Cabinet report.
- 2.8 A report regarding fees and charges will be brought to the 28 January Overview and Scrutiny meeting.
- 2.9 A fuller report by the Corporate Director of Resources and the Head of Corporate Finance (the Council’s Section 151 Officer), including the statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003, will be presented to the Cabinet at its meeting on 17 February 2010 and to Council at its meeting on 24 February 2010.

3. CONSULTATION

- 3.1 Consultation has taken place with the Chief Executive, Directors and their Heads of Service as part of the budget process. This proposed draft budget has been considered by Cabinet and is now subject to consideration by the Overview and Scrutiny Committees.
- 3.2 Directors have made their own arrangements for consultation at service level.
- 3.3 Trade Unions have been consulted on the initial budget proposals and consultation will continue throughout the budget process.
- 3.4 The results of public consultation are included at appendix 6 to the budget report.
- 3.5 The statutory consultation with Business Ratepayers has been planned for late January/early February and their comments will be reported to Cabinet in February 2010 for consideration.

4. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 4.1 The various budgets of the Council aim to match resources to balance national and local priorities. The report highlights where changes to the budget have been made to contribute to priorities.
- 4.2 The Medium Term Financial Strategy, when it is reported to Cabinet in February 2010, will also set out in broad terms how resources are aligned to priorities.

5. IMPLICATIONS

5.1 Financial

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These are set out in the body of the report.

5.2 Legal

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Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This budget report contributes to that requirement although specific legal advice may be required on the detailed implementation of any agreed savings options

5.3 **Diversity and Equality**

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This is a set of wide ranging and far reaching proposals, a significant number of which may have an impact on staff and residents. Disabled people, older and younger people and carers may be particularly affected. Each of these savings proposals will need to undergo an Equality Impact Assessment to identify potential adverse impacts on any groups.

5.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

The budget proposals will be subject to a Corporate Director's review of risk and robustness. This will inform the Head of Corporate Finance's Section 25 statement on the robustness of estimates and adequacy of reserves to be reported to the Cabinet on 17 February 2010.

6. **CONCLUSION**

- 6.1 This report sets out a draft revenue budget for 2010/11 of £123.581m, an increase of £2.569m and requires a 3% increase in Council Tax.
- 6.2.1 The report also sets out a broadly 'standstill' capital programme with capital bids for 2010/11 although, due to the financial climate, capital resources will remain severely restricted.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- The provisional finance settlement 2010/11, DCLG, November 2009
- Budget working papers are held in Corporate Finance

APPENDICES TO THIS REPORT:

- Appendix 1 – Cabinet Report 0909068 Draft 2010/11 Budget Proposals for Consultation

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16 December 2009		ITEM
CABINET REPORT		
DRAFT 2010/11 BUDGET PROPOSALS FOR CONSULTATION		
Portfolio Holder: Cabinet Member for Finance and Corporate Performance - Councillor Barry Johnson		
Wards and communities affected: All	Key Decision: Yes	
Accountable Head of Service: All		
Accountable Director: All		
This report is Public		
Purpose of Report: To propose a draft General Fund Budget for 2010/11 and to consider proposals for the Capital Programme.		

EXECUTIVE SUMMARY

This report provides information for the Cabinet to propose a draft revenue budget and capital programme for 2010/11 for consultation prior to recommending a budget to Council in February 2010.

1. RECOMMENDATIONS:

- 1.4 That Cabinet propose the draft General Fund Budget and Capital Programme bids and refer them to the appropriate Overview and Scrutiny Committees before the Cabinet on 17 February 2010 recommends the budget and Council Tax to the meeting of the Council on 24 February 2010.**
- 1.5 That the Directors and Cabinet Members review fees and charges and consult with Overview and Scrutiny committees before reporting back to cabinet in February 2010.**
- 1.6 That the Cabinet note the Capital Programme and bids and receive an update at their meeting on 17 February 2010.**

2. INTRODUCTION AND BACKGROUND:

Process for Agreeing the Council's Budgets

2.1 The Council must set its revenue budget and Council Tax by 11 March of the preceding financial year. At the same time the Council will also approve the capital programme, fees and charges and the Housing Revenue Account budget. If, for whatever reason, the Council cannot agree a budget and Council Tax on 24 February 2010, Cabinet and Council should be aware that it is unlikely that the Council Tax bills could be sent out on time for the April instalment (taking into account the necessary notice period and the time required to print the bills and accompanying leaflet).

2.2 The high level decision-making timetable for agreeing the budget is shown in the table below.

Council recommends the Council Tax base to Council.	16 December 2009
Cabinet approves proposals for reference to Overview and Scrutiny Committees.	16 December 2009
Cabinet recommends the determination of the Collection Fund Balance and considers the Housing Revenue Account (HRA).	20 January 2010
Overview and Scrutiny Committees: - Health & Well Being - Performance and Improvement - Environment - Children's Services - Health & Well Being (HRA and fees and charges).	5 January 2010 12 January 2010 19 January 2010 28 January 2010 2 February 2010
Cabinet recommends the revenue budget, Council Tax, Capital Programme and HRA to Council.	17 February 2010
Council approves the budget and Council Tax.	24 February 2010

2.3 This report presents information to support the proposed draft General Fund revenue budget and capital programme bids for 2010/11 for reference to the Overview and Scrutiny Committees. It also provides the basis for consultation with business rate payers in January/February 2010.

2.4 A fuller report by the Corporate Director of Resources and the Head of Corporate Finance (the Council's Section 151 Officer), including the statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003, will be presented to the Cabinet at its meeting on 17 February 2010 and to Council at its meeting on 24 February 2010.

2.5 The S151 Officer's statement on the robustness of the estimates and adequacy of reserves will rely on a number of measures being put in place in January 2010 and during the financial year 2010/11, including:

- A Corporate Director's review of the robustness of their budgets. This will include a validation of proposals and a risk assessment of tolerances on budgets and budget changes.
- Delivery plans for savings and growth sign off by Heads of Service and Corporate Directors. A summary of progress in achieving the savings and growth will be included in the quarterly budget monitoring.
- A risk based assessment of the General Fund and Housing Revenue Account (HRA) balances as well as a review of earmarked reserves.
- A reserves strategy being in place as part of a medium term financial strategy.
- The agreement and closer monitoring of corporate critical budgets. These are large budgets that by their nature can be volatile or uncertain, for example, a new initiative for which demand is not established from experience and trends. Closer, and in some instances more frequent, monitoring arrangements will be put in place for these budgets in 2010/11 and reported as part of the quarterly budget monitoring to Cabinet.
- Initiatives actioned through the Finance Board to clarify roles and responsibilities, to improve financial management in services and to improve the performance of financial services.

3. ISSUES AND/OR OPTIONS:

The Provisional Finance Settlement 2010/11

3.1 Formula Grant provides 48.36% of the funding for the Council's total non-schools revenue budget. As such it represents a significant factor in determining the Council's revenue budget.

3.2 The provisional Local Government Finance Settlement for 2010/11 was issued by the Department for Communities and Local Government (DCLG) on 27 November 2009. The key points relating to this settlement for the Council are:

- (i) The provisional Grant for 2010/11 is £59.765m. This is a 3% (or £1.74m) increase over 2009/10 on a like for like basis after allowing for a number of changes. The provisional settlement is consistent with that announced in November 2008.
- (ii) The Council's 3% rise in Formula Grant compares to a national average increase for all authorities of 2.6% and an average increase for unitary authorities of 3%.
- (iii) The provisional Dedicated Schools Grant (DSG) has also been announced at £98.499m, an increase of 3.6% or £3.44m. This is subject to change arising from an annual count of pupil numbers carried out in January of each year.
- (iv) Capital, Area Based Grant and other specific grants are yet to be announced in full.
- (v) The consultation on the finance settlement ends on 6 January 2010 and a final announcement will be made soon after. An update will be reported to Cabinet in February 2010, with a verbal update to the January meeting of the Cabinet if the outcome is known.
- (vi) Non-domestic rates are set nationally by the Government and collected locally by Councils (billing authorities). Businesses have been the subject of a recent revaluation exercise. The multipliers (the rates payable for every pound of rateable value) for 2010/11 are 40.7p for small businesses and 41.4p for other businesses. Due to the revaluation of business properties a comparison between years is not possible.
- (vii) In announcing the provisional settlement the Local Government Minister warned that the government expected average Council Tax rises not to exceed 3% or authorities could be considered for Council Tax capping. Although no formal capping limit has been announced, raising Council Tax above 3% would put the Council at risk of capping and the need to re-bill. In a letter to Local Authority Leaders on 9 December 2009 the Parliamentary Under Secretary of State at the Department for Communities and Local Government states:

"The Government remains prepared to take capping action against excessive increases by authorities and to require them to re-bill households for a lower council tax if necessary."

Government Funding – Dedicated Schools Grant (DSG)

- 3.3 The Dedicated Schools Grant (DSG) is a 100% specific grant to fund the schools budget. It excludes post-16 funding and other specific grants. The schools budget includes funding for all maintained schools in Thurrock. It also includes other costs relating to pupil's education, for example: independent school placements for pupils with special needs; private, voluntary and independent providers of nursery education; the Pupil Referral Unit; behaviour support services; as well as initiatives agreed by the Schools Forum.

- 3.4 The DSG is based on pupil numbers in the January before the beginning of each financial year allowing an estimate of grant to be made in order for local authorities to calculate individual school budgets by early March. The final DSG is notified in early June following a detailed checking exercise, including ensuring that pupils do not appear on more than one school roll.
- 3.5 The Schools Forum must be consulted on all matters relating to the School Budget and during February and March 2010 a draft budget for the 2010/11 year will be presented at the Schools Forum. The total Dedicated Schools Grant for 2010/11 will be subject to a revised formula that will be considered and agreed in February 2010.

Update on the General Fund Budget Position Since Reports to Cabinet on 28 October 2009, and 18 November 2009 and 25 November 2009.

- 3.6 The budget gap, as reported to Cabinet during October and November 2009, is shown in the table below:

	£m
28 October 2009, subject to further pressures being identified from 2009/10.	7.2
Less initial savings package – 28 October 2009	6.1
Budget Gap at 28 October 2009	1.1
18 November – further budget pressures identified as a result of the Month 6 Budget Monitoring	1.8
Budget Gap at 18 November 2009	2.9
Add: withdrawal of proposal from Children’s Services	0.2
Budget gap as at 16 December 2009	3.1

- 3.7 Further work has been undertaken on the budget since the 25 November 2009. As a result, the proposal to meet the remaining budget gap is shown in the table below.

Proposal		£m	Reference/Comment
1.	Review of requirement for debt servicing costs in relation to prudential borrowing.	1.25	See paragraph 3.8 below. This proposal has no impact on services
2.	Resources Savings - ongoing under spend on pension contributions for backfunding.	0.30	See paragraph 3.8 below. This has no impact on services.
3.	Joint Council/Vertex savings.	0.70	See paragraph 3.8 below
4.	Resources/Chief Executive savings – Modernisation Fund £200k Corporate Training £50k).	0.25	See Appendix 4

5.	Further savings from Community Well Being.	0.20	See Appendix 4
6.	Savings from Children's Service in substitution for the withdrawal of Oaktree proposal.	0.20	See Appendix 4
7.	Funding growth on Building Schools for the Future set up costs (from Performance Board Grant (subject to LSP approval).	0.25	See paragraph 3.8 below
TOTAL		3.15	

(Note: the totals in the tables under paragraphs 3.6 and 3.7 differ due to rounding differences).

3.8 The above table includes savings as follows:

- Review of Debt Servicing Costs in Relation to Prudential Borrowing – the Medium Term Financial Forecast showed the debt repayment cost of purchasing vehicles if an in-house tender succeeds for the provision of refuse collection. On further investigation, if an in-house tender should be successful the tender includes an income stream for the repayment of debt which had not been taken into account. If a third party tender is successful then the partner would supply the vehicles and this would be priced in the tender. As a result the net effect on the Council can be reduced by £1.250m.
- Resources Directorate - as a result of the review of the base budget and pressures in 2009/10, budgets that have been under spending and used to support these pressures can be reduced without any service implications. The main budget is one in relation to payments to Essex County Council to fund the backward element of the pension fund deficit.
- Joint Council/Vertex Savings – as a result of active engagement with the Council's Strategic Service Partner, a wide range of opportunities have been identified which may yield short, medium and long term savings. The medium and longer term savings that have merit will be incorporated at a high level in the Medium Term Financial Strategy and pursued through costed business cases during 2010/11 by joint teams from Vertex and the Council. The shorter term opportunities include some tactical savings opportunities, for example:
 - Reducing the Contact Centre opening hours while increasing the range of services accessible via the contract centre.
 - Efficiencies in administration and processes.
 - Procurement savings.
 - A more holistic approach to ICT provision within the Council.

- Streamlining, commissioning and other processes between Vertex, Europa, the Council and third parties.
- The introduction of multi-functional devices to replace personal printers to reduce costs and reduce carbon emissions.
- Streamlining maintenance processes and adaptations to adult social care clients.
- Telephony savings and automatic switch off of PCs to save money and carbon emissions.
- Reducing weekend access to staff to the Civic buildings and security.
- The totality of the £700k of joint Council/Vertex savings are viewed as realistic but are still subject to validation which will be complete before the Council approves its budget. It may be that other savings will be substituted for the opportunities listed above. There will be a joint approach to validating and realising benefits between the Council and Vertex as part of the Council's priority to improve the partnership approach. There will be further joint working on the medium to longer term opportunities.
- The Council will be resubmitting its bid for funding under Building Schools for the Future (BSF) in January/February 2010. The set up costs for the programme are considerable and the budget provides for an extra £0.25m to add to the £0.5m already in the budget. The proposal is to fund the additional amount through the Local Area Agreement Performance Reward Grant (PRG), subject to consultation and agreement with the Local Strategic Partnership (LSP). Should the Council be successful with its BSF bid, further funding will have to be built into the MTFs for 2011/12 and the medium term but, if not successful, the £0.25m will return to PRG in 2010/11.

3.9 Proposed savings and growth items for 2009/10 to 2011/12 are set out in summary form at Appendices 2 and 3. Budget proposals in addition to those proposed on 28 October 2009 are contained in Appendix 4. The detailed savings proposals reported to Cabinet on 28 October 2009 and referred to Overview and Scrutiny Committees in November 2009 are not reproduced in this report but will be made available to Overview and Scrutiny Committees in January 2010 if required.

3.10 A summary of changes in the overall budget proposed for 2010/11 is shown in the table below.

	£m
Budget 2009/10	121.012
Add Back Use of Reserves	1.374
Budget 2009/10 before Use of Reserves	122.386
Add: Inflation – pay and prices	1.129

	£m
Base budget change to address pressures in current services and reductions in income	8.951
Less: Efficiency Savings	-4.902
Changes in Income	-0.281
Savings Affecting services	-0.908
Other Savings (Appendix 4) and Other Base Adjs	-2.794
Draft Budget 2010/11	123.581
Funded By:	
Formula Grant	59.765
Share of Collection Fund Surplus/Deficit	-0.578
Council Tax – assuming a 3% increase	57.000
Area Based Grant	7.394
Total Funding	123.581

- 3.10 The proposed draft net General Fund revenue budget is £123.581m, an increase of £2.569m or 2.12%. The draft budget requires a Council Tax increase of 3% at the anticipated capping limit.
- 3.11 The draft revenue budgets 2010/11 for each Directorate and for Corporate Items will be set out in the report to Cabinet in February, showing:
- (i) the original budget and probable outturn for 2009/10 and the 2010/11 budget before growth and savings; and
 - (ii) the proposed budget savings and growth.
- 3.12 The high level assumptions underlying the proposed draft budget are outlined in Appendix 1, including the 3% increase in Council Tax required to support the proposed draft budget.
- 3.13 The key features of the draft budget include:
- (i) The budget proposals do not include the use of un-earmarked one-off reserves to fund continuing spending.
 - (ii) Inflation of £1.129m.
 - (iii) Base budget changes to protect services at their current volume and to provide a robust platform for proposed changes to the budget and for developing a Medium Term Financial Strategy linked to the Council's priorities including:
 - Meeting the increasing demand and pressure in child protection and safeguarding in terms of legal costs and adoption and residence orders.
 - £1.585m more to protect social care services for adults which are currently under pressure and to allow for demographic growth as part of the Council's priority to provide and commission high quality and accessible services that meet individual needs.

- (iv) Investment in services and in capacity for the Council to maintain its improvement, including:
- A further £250,000 funded from Performance Related Grant (subject to LSP approval) to support Building Schools for the Future should the Council be successful in its bid for the programme. This is part of the Council's and LSP's priority to improve the education and skills of local people.
 - Investing a further £500,000 into children's social care from efficiency savings within Children's Services. This is part of the Council's and LSP's priorities to ensure a safe environment, in particular that children and young people will be kept safe from harm and neglect.
 - Funding of £150,000 to support the set up costs of the Royal Opera House project as part of the Council's commitment to the regeneration of Thurrock and its priority to encourage and promote job creation and economic prosperity.
 - £300,000 to fund ongoing work on the Local Development Framework which will set out how Thurrock as a place will develop, grow and encourage and promote job creation and economic prosperity.
 - £245,000 to inspect and ensure Thurrock's bridges are safe as part of the Council's priority to ensure a safe environment.
 - £300,000 (by redirecting £200,000 from the Modernisation Fund and saving in the Resources Directorate) to strengthen the Council's client role in respect of the Strategic Services Partnership with Vertex. This is a clear priority within the Improvement Programme following a review earlier in 2009. It will allow a more effective partnership approach with Vertex to drive value and improvement in partnership services and to the Council's need to drive out further efficiency savings over the period of the Medium Term Financial Strategy as part of the Council's priority to provide and commission high quality and accessible savings that are value for money.
- (v) Savings from improved efficiency of £4.9m.
- (vi) With regard to proposed fees and charges increases, Directors and Cabinet Members will review these and refer proposals to Overview and Scrutiny Committees in January 2010. The results of this will be reported to Cabinet in February 2010 after which any required consultation will commence to ensure that wherever possible new fee structures can be in place as early as possible. Separately, the draft budget proposals, reported on 28 October 2009, do include increasing hire charges for sports pitches, introducing a small

charge at the Thurrock Carer's Centre, the introduction of street trading licenses and introducing a charge at Laindon Hills County park car park.

3.14 The major savings affecting service delivery are:

- A reduction in Library opening hours and the book fund.
- Highways and transportation budgets, saving of £0.4m through capitalisation of Local Transport plan costs, reduction in Ferry subsidy and traffic monitoring efficiencies.
- A reduction in voluntary sector grants. The Council is working closely with the Council for Voluntary Services (CVS) to manage these reductions.
- A review of the discretionary elements of home to school transport where Council spending is significantly above other local authorities. This will be the subject of a review and consultation with a view to the outcomes being implemented from September 2010.

3.15 The budget makes provision for statutory levies of £0.5m. At the time of writing this report, the levies have yet to be confirmed and therefore this figure may be subject to change.

3.16 It is recommended that the proposed draft budget is referred to the Overview and Scrutiny Committees in January 2010 and their comments considered by the Cabinet at its meeting on 17 February 2010 prior to the Cabinet making its recommendation to the full Council meeting on 24 February 2010.

Capital Programme

3.17 A large proportion of the Council's capital resources come from Government sources in the form of grants and supported borrowing.

3.18 The current capital programme, shown in Appendix 5, is based on resources for 2010/11 which have been announced previously. Further announcements may be made in December and January and these will be reported to Cabinet in February 2010.

3.19 A major uncertainty is the capital resources available beyond 2010/11 which will be the subject of the next Comprehensive Spending Review and/or a one year settlement for 2011/12. It is clear from various announcements by the Chancellor of the Exchequer that capital funding going forward will be severely restricted in the medium and even longer term.

3.20 In addition, the Council's own capital resources in terms of capital receipts are, due to the current economic climate, expected to be minimal. This issue will be addressed as part of developing a Strategic Asset Management in the first half of 2010.

3.21 It is also proposed that prudential borrowing is restricted to schemes and programmes that have a clear invest to save objective underpinned by a

business case or where services have reprioritised their revenue budgets to pay for any borrowing for investment.

- 3.22 As a result of this climate, it is proposed to keep a “standstill” capital programme, based on the current programme, which is fully funded and to only include new schemes on the basis outlined above. This is shown in Appendix 5.
- 3.23 A number of bids for capital investment have been received and these are also shown in Appendix 5. To the extent that these schemes are not self financing provision will need to be made in the revenue budget for borrowing costs and further offsetting savings found.
- 3.24 It is recommended that the draft capital programme and capital bids are referred to the Overview and Scrutiny Committees and their comments considered by the Cabinet before it makes its recommendation to Council in February 2010.

Council Tax Base 2009/10 and Estimated Collection Fund Deficit 31 March 2010

- 3.25 The Council has to formally determine the Council Tax Base (the number of Band D equivalent properties) for 2010/11 and any estimated Collection Fund balance at the end of 2009/10. The Council Tax Base for 2010/11 is the subject of a separate report on this agenda. The draft budget is prepared on the assumption that the Council Tax Base for 2010/11 is approved.
- 3.26 The estimated balance on the Collection Fund at the end of 2009/10 will be reported formally to the Cabinet on 20 January 2010 and Council on 27 January 2010. The draft budget and Council Tax implications are based on a deficit of £0.578m attributable to the Council.

Council Tax

- 3.27 The proposed draft budget requires a Council Tax increase of 3%, from £1,073.43 to £1,105.56 for a Band D property for Council services only (excluding Fire and Police). This is an increase of approximately 62 pence per week for a Band D property or an increase of £32.13 per annum or £28.56 for a Band C property (which is the band with most properties in Thurrock).
- 3.28 The Cabinet (and Overview and Scrutiny Committees) may wish to bear in mind that a 1% change in the Council’s element of the Council Tax is £10.73 for a Band D property and this raises £0.553m in revenue. Overview and Scrutiny Committees will also need to consider that, as the Council Tax increase is at the anticipated capping limit, any proposals to increase spending will need to be accompanied by offsetting savings.
- 3.29 The total Council Tax payable by tax payers consists of Thurrock Council and the precepts for Essex Fire Authority and Essex Police Authority. At this stage the precepts from these major precepting authorities (Fire and Police) are not known. Any information available at the time will be reported to

Cabinet on 17 February 2010. The precepts will form part of the formal Council Tax setting at Council on 24 February 2010.

Reserves

- 3.30 The estimated General Fund Balance as at 31 March 2010 is £2.6m against an optimal level of £5.5m over the MTFS period (2010/11 – 2012/13).
- 3.31 The optimal level of reserves will be reviewed on a risk basis before the Cabinet and Council meetings in February 2010. At the same time the MTFS will include a reserves strategy to reach the optimal level of reserves over a period of time.
- 3.32 Given the projected level of reserves it is important that the proposed budget does not rely on the use of reserves. The review of base budgets as part of the budget preparation process will mean a reduction in the risk of using general and earmarked reserves in-year during 2010/11. It will be critical that services manage within their cash limited budgets.
- 3.33 It is also proposed that growth (other than that used to align base budgets to current service volumes) be retained corporately and released only on the preparation of a business case or justification. The release of these funds will be authorised by the Director of Resources in consultation with the Cabinet Member for Finance and Corporate Performance.

LABGI Funding

- 3.34 It is proposed that the Cabinet should authorise the use of any LABGI funding according to some agreed principles which will be developed for the Cabinet meeting in February 2010.
- 3.35 The amount of new LABGI funding for 2010/11 is not yet known and will be reported to Cabinet when it is announced. The current unused LABGI funding is £1.137m although this has been allocated to various projects.

Local Area Agreement – Performance Reward Grant

- 3.36 Under the Local Area Agreement (LAA) the partners within the Local Strategic Partnership (LSP) may receive Performance Reward Grant (PRG). While the Council is the accountable body for PRG, the LSP will have strong views as to the distribution of the PRG particularly in relation to the LSP priorities as set out in the Sustainable Communities Strategy. The Council's own priorities approved by Council in November 2009 align very closely to that of the LSP.
- 3.37 The likely level of PRG in 2010/11 and future years, together with the level of certainty of receiving the PRG, will be reported to Cabinet in February 2010.

Medium Term Financial Planning

- 3.38 At the 28 October 2009 Cabinet meeting, the five year MTFF showed budget gaps increasing to £19m by 2014/15. This projection will reduce once the base budget adjustments and savings proposals have been fed into the model.
- 3.39 The MTFF will be developed further (for example, updated for announcements in the Chancellor's Pre Budget Report). The MTFF will then be used as a basis for developing a Medium Term Financial Strategy (including a reserves strategy) which will show at a strategic level how the Council intends to address the corporate and service challenges identified through its corporate priorities in a very challenging financial climate. This will be reported to Cabinet in February 2010 for recommendation to Council.
- 3.40 The intention is to develop these broad savings and reprioritisation programmes into business cases during 2010/11 in time for any impacts to be incorporated into the 2011/12 budget. Other programmes may take longer to develop and implement and will be firmed up as part of a rolling Medium Term Financial Strategy.

4. CONSULTATION

- 4.1 Consultation has taken place with the Chief Executive, Directors and their Heads of Service as part of the budget process. This proposed draft budget will be subject to consideration by the Overview and Scrutiny Committees.
- 4.2 Directors have made their own arrangements for consultation at service level.
- 4.3 Trade Unions have been consulted on the initial budget proposals and consultation will continue throughout the budget process.
- 4.4 The statutory consultation with Business Ratepayers will be planned for late January/early February and their comments reported to Cabinet in February 2010 for consideration.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 5.1 The various budgets of the Council aim to match resources to balance national and local priorities. The report highlights where changes to the budget have been made to contribute to priorities.
- 5.2 The Medium Term Financial Strategy, when it is reported to Cabinet in February 2010, will also set out in broad terms how resources are aligned to priorities.

6. IMPLICATIONS

6.1 Financial

Implications verified by: **Sean Clark**
 Telephone and email: **01375 652010**
sclark@thurrock.gov.uk

These are set out in the body of the report.

6.2 Legal

Implications verified by: **David Lawson**
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Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This budget report contributes to that requirement although specific legal advice may be required on the detailed implementation of any agreed savings options

6.3 Diversity and Equality

Implications verified by: **Samson DeAlyn**
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This is a set of wide ranging and far reaching proposals, a significant number of which may have an impact on staff and residents. Disabled people, older and younger people and carers may be particularly affected. Each of these savings proposals will need to undergo an Equality Impact Assessment to identify potential adverse impacts on any groups.

6.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental

The budget proposals will be subject to a Corporate Director's review of risk and robustness. This will inform the Head of Corporate Finance's Section 25 statement on the robustness of estimates and adequacy of reserves to be reported to the Cabinet on 17 February 2010.

7. CONCLUSION

- 7.1 This report sets out a draft revenue budget for 2010/11 of £123.581m, an increase of £2.569m or 2.12% and requires a 3% increase in Council Tax.

7.2 The report also sets out a broadly 'standstill' capital programme with capital bids for 2010/11 although, due to the financial climate, capital resources will remain severely restricted.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- The provisional finance settlement 2010/11, DCLG, November 2009
- Budget working papers are held in Corporate Finance

APPENDICES TO THIS REPORT:

- Appendix 1 – Assumptions Underlying the Budget Proposals
- Appendix 2 – Summary of 2010/11 Growth
- Appendix 3 – Summary of 2010/11 Savings
- Appendix 4 – Details of Further Savings Proposals
- Appendix 5 – Capital Programme
- Appendix 6 – Results of Public Consultation

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HIGH LEVEL BUDGET SETTING ASSUMPTIONS

Council Tax Increase	A 3% increase has been factored into 2010/11.
Council Tax Base	The Council has previously factored in a 1% allowance for bad and doubtful debts. This has been increased to 1.5% for 2010/11.
Pay	A 1% increase has been factored into 2010/11
Inflation	Where increases are known, specific inflation rates have been used. For other budgets, either 0% or 1% has been factored in.
Fees and Charges	3% has been set as a target within the budget assumptions.
Formula Grant	The provisional settlement has been included in the forecasts. The final figure will be confirmed in January.
Interest Rates	A prudent estimate has been made that interest rates will remain low and at 0.5% for the first part of the year.
Capital	That there will be no additional contributions from revenue to support the capital programme.
Reserves	There has been no provision within the 2010/11 budget to make a contribution to or from reserves. The MTFE will provide for a contribution to reserves from 2011/12.

2010/11 Budget Growth

Directorate	Description	28 th October Report £000's	25 th November Report £000's	16 th December Report £000's	2010/11 Total Growth £000's
Sustainable Communities	Base Budget Adjustment		276.0	426.0	702.0
	Opera House	150.0			150.0
	LDF	300.0			300.0
	Preplanning	45.0			45.0
	Health and Safety	50.0			50.0
	Street Services Realignment	60.0			60.0
	A13 Cleaning	100.0			100.0
	Inflation on Contracts	141.0			141.0
	Non Implementation of Car Parking Charges	175.0			175.0
	Vehicles Procurement		(140.0)		(140.0)
	Insurance Premium		(100.0)		(100.0)
	Under recovery of charges		10.0		10.0
	Car parking income		110.0		110.0
	Uniform IT System		125.0		125.0
	Loss of Planning Delivery Grant		200.0		200.0
	PLA Survey of River			15.0	15.0
	Under recovery of income			70.0	70.0
	Buckingham Hill land fill			50.0	50.0
	Managing bridge risk			245.0	245.0
		1,021.0	481.0	806.0	2,308.0

Directorate	Description	28 th October Report £000's	25 th November Report £000's	16 th December Report £000's	2010/11 Total Growth £000's
Resources	Base Budget Adjustment	1,593.0	449.0	(261.0)	1,781.0
	Car Park income short fall	70.0			70.0
	Vertex Client Team	300.0			300.0
	Implementation of International Financial Reporting Standards	110.0			110.0
	Accountancy Car lease			8.0	8.0
	Election Expenses			25.0	25.0
	Base Budget Adjustment			40.0	40.0
	NNDR Shortfall Admin Buildings			26.0	26.0
	Insurance shortfall Admin Buildings			8.0	8.0
	Utilities Admin Buildings			100.0	100.0
		2,073.0	449.0	(54.0)	2,468.0
Chief Executive	Base Budget Adjustment			40.0	40.0
	Advertising Income Shortfall	95.0			95.0
	Shortfall in salary for Chief Executive			50	50
		95.0	0.0	90.0	185.0

Directorate	Description	28 th October Report £000's	25 th November Report £000's	16 th December Report £000's	2010/11 Total Growth £000's	
Children, Education and Families	Base Budget Adjustment		400.0	539.0	939.0	
	Children's Social Care	500.0			500.0	
	Southwark Judgement	200.0			200.0	
	Building Schools for the Future	250.0			250.0	
	Recoupment		300.0		300.0	
	Legal Proceedings		200.0		200.0	
	Adoption & Residence Orders		300.0		300.0	
	Fostering		100.0		100.0	
	Standards Fund Matched Funding		(400.0)		(400.0)	
	Extended Rights to Free Travel		(100.0)		(100.0)	
			950.0	800.0	539.0	2,289.0
	Community Well-being	Base Budget Adjustment			553.0	553.0
		Demographic Growth	1,000.0			1,000.0
CLCS Utilities & ECC Inflation Pressures			30.0		30.0	
IAS Software Costs			55.0		55.0	
External Purchasing Demographic Pressures			985.0		985.0	
Less Growth Included in MTFS			(1,000.0)		(1,000.0)	
IAS Software Costs				28.0	28.0	
CLCS Premises Pressures				20.0	20.0	
CLCS Income Pressures				30	30	
			1,000.0	70.0	631.0	1,701.0
Overall Budget Growth			5,139.0	1,800.0	2,012.0	8,951.0

2010/11 Budget Savings

Directorate	Description	Income £'000	Efficiency £'000	Service Impact £'000
CE	Civic Events / Communications		7.0	
RES	Insurance Contribution		200.0	
CWB	Communities, Libraries and Cultural Services		30.0	
	Library Opening Hours		86.0	
	Review of Long Stay Placements		300.0	
	Residential / Nursing External Purchasing		400.0	
	Review of Respite Services		100.0	
	Private Sector Housing Admin		36.0	
	Homelessness		24.5	
	Housing Strategy		8.8	
	Sports & Leisure	21.7		
	Library Staff Cover			7.0
	Voluntary Sector Grants			81.0
	Community Forum Allocations		53.0	
	Voluntary Sector Grants		30.0	
	Support Planning Process		90.0	
	CSIT Efficiencies		50.0	
	Welfare Rights Team		6.0	
	Dilkeswood		17.0	
	Thurrock Carers' Centre		10.0	
CEF	External Advisors & Consultants		29.0	
	Schools' Data Collection & Consultants	57.0		
	Funding of Premature Retirement Costs	117.0		
	Education Psychology Provision		70.0	
	SEN Placements		99.0	
	Education Welfare Service		85.0	
	Streamline 14-19 Provision		15.0	
	Extended Services		15.0	
	Youth & Connexions Management Costs		137.0	
	Learning Partnership / 14-19 Strategic Partnership		40.0	
	Discretionary Transport			420.0
	Grangewaters		51.0	

Directorate	Description	Income £'000	Efficiency £'000	Service Impact £'000
CEF	Family Group Conferences		24.0	
	Oaktree for Looked After Children		200.0	
	Reduction in the Reliance on Agency Staff		100.0	
	Remodel Short Breaks Provision		120.0	
	Employee Development & Training		34.0	
	Middle Management Review		200.0	
SC	Street Trading Licences	25.0		
	Senior Management Review		60.0	
	Development Services Review		65.0	
	Highways & Transportation			400.0
	Pre-application Planning Advice	15.0		
	Laindon Hills Country Park Car Parking	45.0		
	Waste Contract		2,110.0	
Total		280.7	4,902.3	908.0

Service: Resources/Change and Improvement
Service: Corporate Training
Proposal Number: RES04

Description of Proposal

Reduce the Corporate Training budget by £50,000 from £305.9k to £255.9k

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
50	Nil	50	Nil

Base Budget 2009/10

	£'000s
Expenditure	
Employees	304
Other Direct Running Costs (Premises, Transport and Supplies)	1.9
Third Party Payments	x
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	305.9
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	(328.9)
Net Expenditure	
Base Budget 2009/10 Full time Equivalent Staff	(23.0)

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	Nil
Savings approved in the 2009/10 Base Budget	Nil

Impact of Proposal on public / services	Training is an important part of workforce development to provide improved public services. The corporate budget however does not provide for service specific training.
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Impact of Proposal on performance	See above.
Impact of Proposal on staff	The corporate training budget will need to be targeted at key training and development needs possibly across a narrower range of opportunities.
Practical requirements regarding implementation and timetable	None
Legal Implications	None
Diversity Implications	A large proportion of staff have already undertaken an Equality and Diversity training and updates and training for new staff will still be provided.

(Note: departments are paying for the Diversity training £35.00 per employee)

Service: Resources/Change and Improvement
Service:
Proposal Number: RES05

Description of Proposal
To eliminate the £200,000 Modernisation Fund budget

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
200	Nil	200	Nil

Base Budget 2009/10

	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	206.3
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	206.3
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	206.3
Base Budget 2009/10 Full time Equivalent Staff	

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	Nil
Savings approved in the 2009/10 Base Budget	Nil

Impact of Proposal on public / services	The impact of eliminating this budget is to severely restrict resources for funding additional support to the Council's Improvement Programme. This resource will need to be found within remaining budgets or within internal staff resources. Some elements of the Improvement Programme and particularly driving more efficiency savings will need to be
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	carried out through invest to save business cases and by improved partnership working with Vertex.
Impact of Proposal on performance	See above.
Impact of Proposal on staff	The fund gives some flexibility for improvement work which will now need to be carried out by staff and which will provide opportunities for development and cross-service working.
Practical requirements regarding implementation and timetable	None
Legal Implications	None
Diversity Implications	None

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Service: CWB 2010/11

Description of Proposal

2. Reducing/delaying training in Adult Social Care. This is a 5% reduction on the training budget and will mean some courses will not go ahead or be delayed. The priority will be to ensure that front line statutory and mandatory training needs are prioritised.

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
£30k	0	£30k	0

Base Budget 2009/10

	£'000s
Expenditure	
Employees	666
Other Direct Running Costs (Premises, Transport and Supplies)	16
Third Party Payments	
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	682
Income	
Sales, Fees and Charges	
Grant and External Contributions	33
Support Services Income	
Gross Income	33
Net Expenditure	
Base Budget 2009/10 Full time Equivalent Staff	9.14

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	0
Savings approved in the 2009/10 Base Budget	0

Impact of Proposal on public / services	This will mean some reduction in training opportunities for staff both directly employed by the Council and in the independent sector. It should also be noted that training opportunities for the independent and 3 rd sectors are seen as a valuable service and are often offset against a low or zero inflationary uplift every year.
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Impact of Proposal on performance	In the long term this may affect the quality of service on offer and could affect staff performance and our ability attract staff to the Borough.
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Impact of Proposal on staff	This will result in a reduction in training opportunities.
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Practical requirements regarding implementation and timetable	This can be delivered by 1 st April but the consequences listed above need to be carefully considered.
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Service: CWB 2010/11

Description of Proposal

5. Consultancy Budget - delete this budget. The budget has been used to bring in external expertise for key projects. This flexibility will disappear and any such work will need to be funded from special grants, elsewhere or not happen.

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
£53k	0	£53k	0

Base Budget 2009/10

	£'000s
Expenditure	
Employees	205
Other Direct Running Costs (Premises, Transport and Supplies)	65
Third Party Payments	68
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	338
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	0
Net Expenditure	338
Base Budget 2009/10 Full time Equivalent Staff	2

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	0
Savings approved in the 2009/10 Base Budget	0

Impact of Proposal on public / services	Reduces our flexibility to bring in expertise on key projects that require additional outside specialist technical knowledge. In future this will need to be funded from within existing budgets or through special external grants for this purpose.
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Impact of Proposal on performance	See above.
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	Can be delivered.
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Service: CWB 2010/11

Description of Proposal

15. Meals on Wheels – numbers have been reducing. This saving has been achieved in 2009/10 and it is anticipated it will be recurrent into 2010/11. Provision of meals is increasingly been done differently by service users (eg through individual budgets which increases the choice for people)

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
£17k			

Base Budget 2009/10

	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	
Base Budget 2009/10 Full time Equivalent Staff	

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	
Savings approved in the 2009/10 Base Budget	

Impact of Proposal on public / services	The traditional meals on wheels service still provides a valuable front line service to a lot of people who find it difficult to cook for themselves because of their age or disability. However, more people are choosing either to take the funding as a individual budget or get their meals from elsewhere (prepared meals, friends).
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Impact of Proposal on performance	None
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	Ongoing saving from 2009/10
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2010/11 Budget - Savings Proposal

Service: CEF
Proposal Number: 4

Description of Proposal
<p>Reduce budget provision for debt management (subjective 3057) in line with trend for 08-09 and budget provision made for 09-10. Budget of £25389 in 07-08 unspent and then £25400 unspent in 08-09 – budget for 09-10 is £25400 again Propose to set this aside on basis that there has been no expenditure in 08-09 and no anticipated budget spend in 09-10 (i.e. is a historical budget).</p>

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
25.4	0	25.4	0

Base Budget 2009/10

	£'000s
Expenditure	
Employees	0.0
Other Direct Running Costs (Premises, Transport and Supplies)	41.9
Third Party Payments	0
Transfer Payments	0
Capital Financing Costs	0
Support Services Costs	0
Gross Expenditure	41.9
Income	
Sales, Fees and Charges	(3.1)
Grant and External Contributions	0
Support Services Income	0
Gross Income	(3.1)
Net Expenditure	38.8
Base Budget 2009/10 Full time Equivalent Staff	0.0

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	0
Savings approved in the 2009/10 Base Budget	0

Impact of Proposal on public / services	None
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Impact of Proposal on performance	None
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	Likelihood of achieving saving is good at this stage with no anticipated spend in 09-10
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2010/11 Budget - Savings Proposal

Service: CEF
Proposal Number: 5

Description of Proposal
Remove allocation within Premises for rent payable (subjective 0630) from 2010-2011. Spend of only £8460 in 07-08 against budget of £19900 and in 08-09 against budget of £19 900 there was no spend at all. Allocation of £17 900 for 2009-2010 but no planned expenditure to date Propose to remove this allocation altogether from the cost centre

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
17.9	0	17.9	0

Base Budget 2009/10

	£'000s
Expenditure	
Employees	152.9
Other Direct Running Costs (Premises, Transport and Supplies)	20.2
Third Party Payments	0
Transfer Payments	0
Capital Financing Costs	0
Support Services Costs	0
Gross Expenditure	173.1
Income	
Sales, Fees and Charges	0
Grant and External Contributions	0
Support Services Income	0
Gross Income	0
Net Expenditure	173.1
Base Budget 2009/10 Full time Equivalent Staff	5.0

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	0
Savings approved in the 2009/10 Base Budget	6.2

Impact of Proposal on public / services	None
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Impact of Proposal on performance	None
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	Likelihood of meeting this saving good at this point in year where there is no anticipated spend
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2010/11 Budget - Savings Proposal

Service: CEF
Proposal Number: 22

Description of Proposal
Reduce Looked After Placements budget by 7% through increased use of in-borough provision, increasing challenge through Thurrock Access to Resources Panel and by reviewing changes in likely demand between numbers requiring support who are due to be over 18 next year and those who will be new placements

Proposed Saving

Proposed Saving in 2010/11 £'000s	Proposed Saving in 2010/11 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
169	0	169	0

Base Budget 2009/10

	£'000s
Expenditure	
Employees	37.3
Other Direct Running Costs (Premises, Transport and Supplies)	4,039.5
Third Party Payments	0
Transfer Payments	0
Capital Financing Costs	0
Support Services Costs	0
Gross Expenditure	4,076.8
Income	
Sales, Fees and Charges	0
Grant and External Contributions	0
Support Services Income	0
Gross Income	0
Net Expenditure	4,076.8
Base Budget 2009/10 Full time Equivalent Staff	1.0

Recent Changes to Base Budget

	£'000s
Growth approved in the 2009/10 Base Budget	1,581.0
Savings approved in the 2009/10 Base Budget	0

Impact of Proposal on public / services	Effective management of in-borough provision should minimise any impact on carers or on young people
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Impact of Proposal on performance	Risk to performance on stability of placements will be minimised through effective prioritisation for placements at Thurrock Access to Resources Panel
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	Proposal will be deliverable from beginning of April 2010
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CAPITAL PROGRAMME RESOURCES

Sustainable Communities Funding

	2010/11
	£000's
LTP Highways Maintenance	1,314
LTP Integrated Transport	1,208
Total Supported Borrowing (see Table 1)	2,522
LTP Integrated Transport	604
Road Safety Funding	62
Waste Infrastructure - Single Capital Pot	104
Total Grant Funded	770
Total Capital Funding	3,292

Children, Education and Families Settlement

	2010/11
	£000's
Children's Personal Social Services	29
Modernisation	157
Basic Need	544
Schools Access Initiative	294
Total Supported Borrowing (see Table 1)	1,024
Modernisation	806
Extended Schools	146
Harnessing Technology	520
Devolved Capital	1,373
Targeted Capital Grant	1,000
Primary Capital Programme	178
Primary Classrooms	2,563
Total Grant Funded	6,586
Total Capital Funding	7,610

Community Well-Being Capital Funding

	2010/11
	£000's
Disabled Facility Grants	402
Regional Housing Pot	110
Total Grant Funded	512
Social Care -Single Capital Pot	77
Mental Health Single Capital Pot	92
Total Grant Funded	169
Total Capital Funding	681

Resources Detail Bids

Scheme Description	Capital Receipts £000's
Civic Offices - Electrical Hard Wire Testing in CO1. 5 year test to comply with BS7671	12
Civic Offices - Electrical Hard Wire Testing in CO2. 5 year test to comply with BS7671	20
Civic Offices - Pump replacement in CO1. Current pump is worn and obsolete.	18
Civic Offices - Heating boilers in CO1. These should be replaced with condensing boilers after 24 years service.	85
Civic Offices - Versatemp Units. Units are now obsolete and spares are in short supply.	14
Civic Offices - Renew AHU controllers in CO2. AHU controllers are now obsolete, one has partially failed.	14
Thameside Complex - External Works. Replace defective items, improve security, replace loading bay doors.	34
Thameside Complex - Internal Works - Renew soil pipes	15
Thameside Complex - Lighting protection. Improve to current B.S. regulations.	3
Thameside Complex - Air conditioning for Library work room	10
Civic Offices - Humidifier Replacement. The existing spray humidifiers are considered as a medium to high risk area for legionnaires disease. Replace with steam injection or IR evaporation.	35
Civic Offices - Upgrade emergency lighting in CO2.	45
Civic Offices - Upgrade lighting to High Frequency in CO1.	10
Thameside Complex - Tower Block - Staff Lift. The lift does not conform to current DDA requirements.	13
Thameside Complex - 4th floor General and Theatre AHU's. Worn, out of balance and obsolete.	70
Civic Offices - Renew flexible heating hoses in CO1. These were renewed 15 years ago due to a number of failures and flooding of offices.	9
Thameside Complex - Replacement of roof extract fans in all areas.	7
Thameside Complex - Registrars. Provide UPS to projection equipment in the event of power failure.	2
Thameside Complex - Replacement of 3rd floor plant room extract fans. Worn to excess and obsolete.	34
Thameside Complex - Small power. Replace old accessories and equipment.	5

Thameside Complex - Relamping all areas. To comply with HSE and maintain lighting levels.	9
Thameside Complex - Health & Safety issues with Platform lift in loading bay.	30
Thameside Complex - Replacement of electrical switch panel in 3rd floor plant room. Wiring deteriorated and fire risk.	54
Thameside Complex - Replacement of electrical switch panel in 4th floor plant room. Wiring deteriorated and fire risk.	26
Civic Offices - Upgrade lighting to High Frequency. To comply with Health and Safety regulations.	6
Civic Offices - To install lighting sensors to detect movement, affording control by switching off lights in unoccupied areas (out of hours).	45
Thameside Complex - Remedial works to floors 5, 6 and 7. To replace defective ceilings and flooring.	20
Thameside Complex - Internal Works - Upgrade fire resisitant wall finishes	19
Thameside Complex - CCTV and Door access. Required to address security issues.	25
Total Bids	686

Community Well-Being Detail Bids

Scheme Description	Capital Receipts £000's	Trusts £000's	Essex F.A. £000's
Inspect Roof and Beams at Belhus Leisure Centre.	33	-	-
Theatre Complex - Theatre House lighting.	77	-	-
Theatre Complex - Theatre House Air Handling units. Current units are worn and obsolete.	28	-	-
Theatre Complex - Auditorium Ventilation Ducting Renewal. Current system is failing and contains asbestos.	88	-	-
Blackshots Pool - Reline Training Pool Filter and Renew Filter media.	39	-	-
Corringham Pool - Reline Pool Filter and Renew Filter media.	55	-	-
Corringham Pool - Main Pool and Teaching Pool Extract fan housings and runaround coil refurbishment.	39	-	-
Belhus Pool - Reline Pool Filter and Renew Filter media.	55	-	-
Belhus Pool - Main Pool and Teaching Pool Extract fan housings and runaround coil refurbishment.	39	-	-
Theatre Complex - refurbishment of auditorium changing rooms.	11	-	-
Theatre Complex - Museum Electrical Installation. Beyond service life and non compliant with IEE 17th edition regulations.	22	-	-
Theatre Complex - Replace Theatre lighting.	6	-	-
Theatre Complex - Bar Room Chiller. Current system is beyond economic life.	6	-	-
Disabled Facility Programme. Provision of housing adaptations within the private sector.	200	-	-
Renew roof at Corringham Leisure Centre	300	-	-
Refurbishment of Belhus Library	495	-	-
Tennis Court Resurfacing	55	-	-
Blackshots Playing Field Pavillion	110	-	-
Orsett Heath Pavillion and Recreational Area	330	-	270
South Ockendon Pavillion and Recreational Area	55	400	-
Total Bids	2,041	400	270

Sustainable Communities Detail Bids

Scheme Description

Maintenance of the Council's highways asset, including but not limited to carriageways, footways, structures, street lighting, drainage and other associated furniture.
 Annual replacement of Five Unsafe Play Areas - The RoSPA review highlighted numerous safety hazards. Rolling programme to annually upgrade and refurbish the five sites in worst condition.
 Construction of New Civic Amenity Site, Linford
 Acquisition of Site for Future Depot Premises - Plots 29 & 30 Oliver Road, West Thurrock.
 Renewable Environmental Containers
 Allotment Improvements / New Self Managed Site Provision.
 Improvements / Refurbishment of Crazy Golf course at Grays Beach Riverside Park.
 Replacement programme for dog, litter bins and park benches (20 benches & 40 litter bins/40 dog bins per year). Much of the park furniture is worn and vandalised. Many litter and dog bins are damaged, worn and dangerous and unhygienic.
 Renewal and upgrading of Park & Cemetery infrastructure (paths, fences and walls).
 Replacement Fleet vehicle and plant.

Capital Receipts £000's

Unsupported Borrowing £000's

1,000	-
-	250
-	750
-	600
-	182
-	50
-	100
-	50
-	250
-	200
1,000	2,432

Total Bids

Thurrock Council's Budget Consultation Report Findings

Purpose

The purpose of this report is to inform Cabinet members of the views received from local residents and businesses in response to the Budget Consultation. The budget consultation process started on 7th September and ended on the 30th November 2009.

Background

The council commissioned Delib (E-democracy research) to carry out the annual budget consultation for 2010/11 using a budget simulator tool.

The budget simulator is a unique interactive tool that allows respondents to engage in the budget setting process and express views concerning which service areas they would like to see the budget increased and areas where they would prefer a decrease, and what this would mean in terms of the overall Council tax. The results are summarised in **annex 1**.

The budget simulator also allowed respondents to register comments. These are summarised in **annex 2**.

The Use of Resources feedback in 2008/9 suggested that the response rate to the budget consultation in 2008 (120) was relatively low, and did not adequately reflect the views of residents. The process this year aimed to achieve at least 500 responses in order to gain valuable feedback from a wide range of residents.

Response

The response rate to the consultation this year far exceeds the response rate achieved in previous years generating a total of **465** responses. Most respondents responded to the consultation by using the online Budget Simulator, with only 11 respondents completing a hard copy questionnaire.

Conclusion

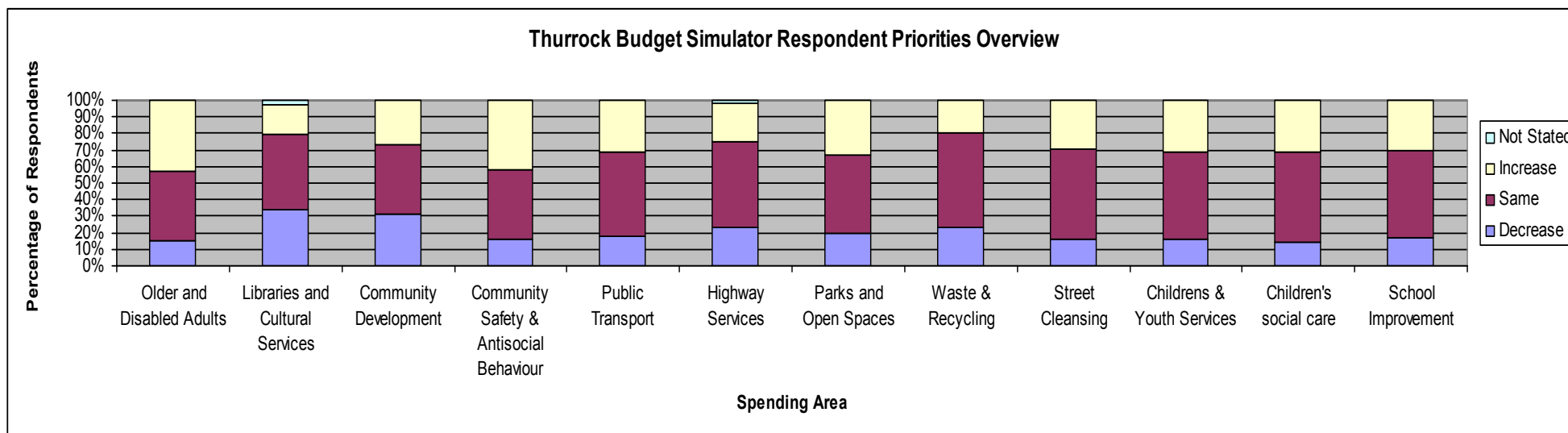
The majority of respondents chose not to increase or decrease the budget in any of the service areas as illustrated in annex 1;

The results gathered indicate that the majority of residents do not feel that a radical reallocation of resources is needed. The areas of service where the survey indicates respondents support an increase in budget are Older People, Community Safety, Children and Youth Services, Children's Social Care and School Improvements.

Conversely, although the response was not so strong, the areas where respondents indicate a decrease in budget are Libraries and Community Development.

A full report of the consultation findings will be posted on the Thurrock website in January 2010.

Summary of spending priorities



Service Area	Decrease	Same	Increase
Older People	15%	42%	43%
Libraries	34%	46%	18%
Community Development	31%	42%	27%
Community Safety	16%	43%	42%
Public Transport	18%	51%	31%
Highway Services	23%	53%	23%
Parks and Open Spaces	22%	54%	38%
Waste & Recycling	23%	57%	20%
Street Cleansing	16%	54%	29%
Children and Youth Services	16%	53%	31%
Children's Social Care	14%	54%	31%
School Improvement	17%	53%	31%

Summary of spending priorities

Although most respondents chose not to change the amount spent in any of the service areas; others chose to increase the budget spend on the services for **Older People (43%)**, **Community Development (27%)**, **Community Safety (42%)** and **Children and Youth Services (31%)**. In contrast however, some residents chose to decrease the amount spent on **Libraries (34%)** and **Community Development (31%)**.

Thurrock's Budget Consultation Comments Report

Annex 2

The Budget Consultation for 2009 has generated a large amount of feedback from the residents of Thurrock. Please find listed in the table below some of the comments that were made by residents.

Item No.	Comment
1	I am concerned that the public may see reducing the Community Development budget as the easy option - they must take into account the number of services being provided by voluntary and community groups that would cease to exist if the groups were not funded. We should also remember that such groups, including Community Forums also bring money into Thurrock, through successful applications to external funding organisations.
2	I don't mind paying a small increase in council tax, as long as it results in a visible improvement in services such as cleaner streets and better paving and roads. The improvement to Grays town centre is a good example. It's about time someone cleared that graffiti. Well done! Its good fun this simulator game - why don't the council do this more often!
3	Public transport & transport infrastructure must be improved. Transport is the lifeblood of any community and will be the thing to help improve the chances of people getting jobs and coming through the recession. Investment is needed now before everything starts going backwards!
4	Vulnerable children and adults need to be put first!
5	A reduction in a budget does not have to mean that services will reduce; it may be that increased efficiency will allow the service to remain unaltered.
6	I put more money into the areas where I thought the budgets would need to rise to keep up with the need for that service. There could be other areas of saving i.e. looking at spending within the borough on councillors' expenses and legal work fees. These areas are always expensive but with a little extra know how they can be tightened without any cutback on service to the public.
7	I've tried to balance my priorities with trying to keep the tax increase to an acceptable level. I think basic educational standards in Thurrock are worryingly low, and more investment in schools is therefore important. Social care for both children and older people, as a national issue, undoubtedly needs more investment both to raise standards and to increase access. I don't see much evidence of street cleaning in practice, so reducing the budget may not have much impact. I think that frequency of blue and green bins could be reduced, so long as brown bins are collected weekly. Buses don't seem to be very full, so maybe there is scope for reducing the public transport budget and streamlining it a bit. I think a lot of the concern about safety on the streets is fuelled by media hype, so a reduction in community safety budget seems reasonable. Other services I think are important, but budgets should be held steady rather than increasing, given the present economic conditions.
8	We should have less bins, as i already have 4 bins at home; it's really annoying to keep looking what has to go where.
9	Much improvement is required to parks and open spaces. Also, the Council needs to carry out a PR exercise to promote Thurrock and what's on offer.
10	Why do we have to spend any money on diversity, the east of England assembly and other quangoes? My council tax should be spent

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	on Thurrock and then we wouldn't have to slash the more important budgets.
11	The issues I have increased spending are things I feel are necessary especially older people's lives. Libraries do not need to be opened as much. Children services are always fairly poor and no matter how much money is spent it's the parents that need changing and spending money will not affect anything. Having a clean environment is very important for all so I chose to increase this and recycling.
12	Sadly in times of financial difficulty the nice things such as community projects have to be curtailed in order to provide the essential services. I do not agree with providing street wardens etc; as this is duplication of the work we pay the Police to carry out, why pay twice for the same service.
13	The 1.Services for Older People and Disabled Adults This service is functioning properly and over the years the council has been throwing good money into bad, without putting a steady measure in place or targets against which they measure the increase in resources. The budget is fully funded but marred with a high percentage of inefficiency, consultancy and agency costs. The recruitment campaign and HR policy should be towards maintaining the staff that do their job properly and managers be encouraged and retrained to understand the balance between a good operational level and financial impact. 2. Children services. These services should be increased in budgets but based on a bench mark under which the managers should achieve. This is investment for the future and I think thurrock deserve this to its residents. 3. Community safety & antisocial behaviour; Thurrock is turning into a cosmopolitan borough and joint forces need to work together to improve security around the borough. Decrease in antisocial behaviour is crucial in improving the young people that may be sidetracked and get involved in criminal activities. This increase should be on a target based approach and should be subject to scrutiny by the public and the joint forces involved. Visits to other councils that have better methods of managing this should be approached for assistance and develop such models in Thurrock. The future of thurrock young is crucial for it long term strategy. Conclusion. The council should change its laid back approach of increasing money without strong bench markings. All budget increases or no increases should be based on the condition that specific targets are set and are subject to withdrawal if targets are not met. Long term approaches should be built into the model to prevent myopia management approaches. Managers should be informed that any budget increases are based on targets and innovation should be encouraged but controlled. Exchange programmes and visit to other council is crucial so that managers may understand how other strategies work and affect their budgets. This may be a steep learning curve but I believe responsibility management style is the key to fruitful management of the resident's taxes.
14	Employ road sweepers rather than use machines. Thurrock is dirty and tired and seems to be falling apart. With the huge number of new dwellings being forced upon us and with such poor facilities and infrastructure what will become of the place? I live in what has become a commuter belt and it has lost its sense of community and residents mostly don't care what happens any more. Transport is so poor each member of my family needs a vehicle so that they can get to and from work. I hate to think how much would need to be spent to get decent public transport at a reasonable cost to the traveler.
15	The elderly and disabled are more vulnerable than the rest of the community. We are supposed to be in a recession so the rest of us

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	should tighten our financial belts. Council should cap salaries, especially those earning over £20000. Thurrock's environment is extremely important and therefore dustmen should be the only staff to be awarded a modest increase of wage. If necessary increase your environmental dept staffing levels to tackle the rising rodent population. Finally perhaps you will consider having a holiday from your staff pension fund.
16	I think one of the biggest problems in Thurrock at present is the anti social behaviour which needs to be addressed
17	A better transport system would be beneficial to all, especially on Chafford Hundred. Not everyone who lives there has the benefit of their own transportation. There is also a huge need for affordable pre-school availability - children that can play together learn to live together.
18	I have youth as very much an important issue this year, and the elderly too. Recycling also comes strongly into my picture.
19	There is an increase in living longer and requiring more services. More people want to manage their own budgets and there is just not enough money in the pot. Recruitment and retention are a problem as not everyone likes the restructure and on comparison to London, we are the poor relations
20	We are all tightening our belts and the council must do likewise. I reject the idea that more money always equals better services and would instead suggest that the money is put to better, more efficient, use. In the real world you get the job done for what people are willing to pay and, at the moment, that is for a lot less than a year or two ago. I am sure that there are service providers out there that would happily take over council services for less than the current providers.
21	Enough money is already spent on community services, while our roads and parks and falling down around our ears and nobody cares.
22	Budget should not be cut in respect of the vulnerable sections of society i.e. the elderly and children at risk or deprived. I do, however, object strongly to the setting up of a council newspaper wasting thousands of our pounds that could be put to better use elsewhere!
23	Please spend more money on schools and some people are getting poor because of your taxis so stop making us poor please.
24	If I see a rise in my council tax I would be suffer this if the council stopped wasting money on consultant's fees and other huge expenses. Its services we pay for, not the huge pay packets of outside sources
25	I would be more willing to pay more council tax if it was spend on something that was a bigger benefit to the whole community and not just a small sector (i.e. the repainting of the Tilbury flats, spit and dirty looks the same on any colour why paint something when the people that live in the flats don't look after it! The money could have been spent on something like a new park on the anchor field! I live in the flats and see everyday the way people treat the block because they don't want to be here so why respect it!
26	I am sure with the increase of technology; less people are visiting the libraries. If you spend more on the community, where people can respect where they live then anti social behaviour will fall I never see a 'park warden' anyway!!! Bins and trucks have already been purchased, so that should be a saving on next year. Give the youth somewhere they can go, both indoors and out, where they can express themselves without others judging them.
27	In the current economic climate their has to be saving, the council tax has risen faster than wages, this cannot continue. In fact people

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	will have to be more public spirited to help the community, with receiving money from the council, this includes the voluntary sector who in fact receives some council funding.
28	During a recession, people make more use of public libraries to look for jobs in the newspapers and internet, print out CVs and borrow books rather than buy them. I'm concerned by the threat to library opening hours that's being forced through without consultation and would spend less on highways where there seems to be an obsession with putting up more and more unnecessary road signs.
29	I am allocating more money on the youth and recycling as this directly affects our future and is something which i feel needs improving in Thurrock
30	Too much money is given to unmarried mothers. The idea of having 100 bins on the street should be cut back.
31	I believe this is the correct way to go as the borough needs HEAVY investment into Public Transport!
32	If School improvements are on track then it doesn't need anymore money thrown at it, budget should stay the same! Waste & Recycling is a waste of time and money, my contribution of council tax pays a share for refuse service. This council saved money by putting in private companies, where's the money saved from that!
33	The council should be looking at improving the public transport services within the borough particularly those in Purfleet, Tilbury and South Ockendon. Highways in general should have more money put into the budget to improve the roadways throughout the whole borough. Transport services within the council needs to be better staffed, they do not have enough staff working there to deal with all aspects of transport provision, where is your Travel Plan officer.
34	Mechanical road sweeping in built-up areas is a waste of time. Parked vehicles make it impossible for the cart to do the job it is designed for. Use the money saved elsewhere. Either re-employ manual road sweepers or, better still, use offenders on REAL community work. Public Transport is not at all efficient. Too many near-empty buses waste huge amounts of money. Better routing and scheduling and reliable timetables would save money. Parents must take responsibility for their children instead of expecting the state or local council to look after them. Teach the parents how to teach their children the difference between right and wrong and how to have respect.
35	The amount of money given to disabled and old people has to obviously be a great amount to pay for their equipment and other things. Yet I feel the amount is far too substantial. The amount that is used could be used to convert the young "hooligans" of today into respectable young men and women. I understand the need for a high amount of money into this area although I feel it could be better spent if some was directed into area, which needs it more.
36	What is becoming abundantly clear is that the key characteristic governing our present age is the extent to which financial inequality is shaping every aspect of life. It is well documented that a small percentage of the population controls a large proportion of the wealth of the country. What is now emerging is how the degrees of inequality are affecting the separate layers within society.
37	Lets hope these councillors are not spending our money like these MPs. All we want to know is when are they going to taken these big humps away down Rectory road, they are too high and damage peoples cars and it doesn't do any good. When you first got in I voted for you because you said you would to take these humps down but you haven't and remember its public money when you do take it

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	BRIAN.
38	First of all, I think that the many silly bins we have now just make our streets look tacky. The brown bin at my house doesn't even get emptied. This is because the council expects us household owners to buy separate bin bags for the bins; and every week, it doesn't get emptied. The next thing that I would like to talk about is the school improvements. As I attend school now, I find it very inappropriate that our school isn't getting the right sort of money to help our students get a better education. I think that the budget should go up a small amount. I think that the public transport has been tampered with for a while now and the road works affect our parents getting to and from work.
39	Surely savings could be made by combining areas such as HIGHWAYS with STREET CLEANSING it should sharpen the minds of all involved. In addition why not combine LIBRARIES & CULTURAL SERVICES with COMMUNITY DEVELOPMENT. I would think many aspects overlap. Finally, surely there would be a case for combining SCHOOL IMPROVEMENT with CHILDREN & YOUTH SERVICES as the needs should lead from one to the other. Within these combinations I am sure overheads could be saved and the money better directed to the front line. I have no doubt those against will say 'we already work very closely together' but that is not the same as all pulling in the same direction under one umbrella. As for the reduction in WASTE & RECYCLING, in my opinion we are in 'overkill'. Why not be honest now and say it is the prelude to collections every 2 weeks, which will save the money. So many of bins will be barely used weekly. Good luck
40	I think the budget reflects the level of activity I see in each of these services in Thurrock. Where a department fails to perform for local people then they need to review their priorities. This is often not about how much money they have but making sure they use the money appropriately. Reducing the budget would ensure proper management of the budget, concentrating on the priorities for Thurrock and reduce frivolous spending.
41	I am surprised about how much of the council's budget is reserved for the old people and disabled. It is an eye opener. Rather comforting I suppose as we all get old one day :-) I think perhaps support for the old and disabled must be looked at as a whole very closely and checked for possible underuse of resources available, inefficiency, redundant or duplicate facilities, etc... and the money redistributed where it is really needed. By that I mean review which services are actually being used and which aren't. Because we know that this is where most of the money is spent, surely it makes sense to try and save money in that area to free resources for other areas. I think there should be more done for young families and children, the environment and public security as a whole. I am really surprised about how little is allocated to Community Safety and antisocial behaviour! The same applies to Parks and Open Spaces, Community Development and definitely School Improvements! We want to attract new generations of TAX PAYERS, if we don't look after the 25 to 65 age group we will only get disadvantaged people on low wages or on benefits and it will only get worse... We need to improve the quality of life in the borough to make it more attractive to tax payers. In the long run we will get more council tax money coming in, less people on benefits and you end up with an even bigger budget to spend on the elderly etc... Thank you for the opportunity to have a say :-)

**Thurrock's Budget Consultation
Comments Report**

Appendix 6

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