

Agenda Item:

Cabinet

9a

Dorset County Council



Date of Meeting	11 February 2016
<u>Cabinet Member</u> Robert Gould – Leader <u>Lead Officer(s)</u> Richard Bates – Chief Financial Officer	
Subject of Report	Medium Term Financial Plan (MTFP) and Budget 2016/17 to 2019/20
Executive Summary	<p>This report provides the final update on the major national and local issues facing the County Council and how they affect the 2016/17 budget and the financial plan for the four years to the end of the current parliament.</p> <p>The Cabinet meeting on 16 December 2015 agreed the basis on which further development of the budget for 2016/17 and the financial plan for the following years should continue, subject to clarification of the detail in the local government finance settlement which was received the day after the meeting.</p> <p>A further update was provided for Cabinet on 13 January 2016, setting out the impact that the settlement had on the Authority's budget strategy. Our planning up to the point of the provisional settlement had allowed us to close the budget gap for 2016/17 to just £0.4m but a radical departure from the previous method of calculating funding left Dorset with a grant reduction of £17.8m; around £7.3m more than had been planned for.</p> <p>The final settlement information is now not expected until 4th February so an addendum to this report will need to be sent out prior to the Cabinet meeting, after the final settlement impact is clear.</p> <p>The CPMI information for 2015/16 has been routinely provided through the regular MTFP updates to Cabinet. Appendix 1 sets out the latest (December) forecast, predicting an overspend of</p>

	<p>just under £3m. The root causes of the overspend have been drawn to Members' attention during the year and are not repeated here. Focus will remain on reducing the overspend as far as possible, by 31 March.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment: This update does not involve a change in strategy. As the strategy for managing within the available budget is developed, the impact of specific proposals on equality groups will be considered.</p> <p>Use of Evidence: This report draws on proposals and funding information published by the Government, briefings issued by such bodies as the Society of County Treasurers and the content of Dorset County Council reports and financial monitoring data.</p> <p>Budget: The report provides an update on the County Council's previously reported budget position for the period 2016/17 and the following three years.</p> <p>Major risks that influence the development of the financial strategy include:</p> <ul style="list-style-type: none"> • views taken on changes in grant funding, business rates growth, inflation rates, demographic and other pressures and income from locally raised tax; • success in delivering the savings anticipated from the Forward Together programme and a further, significant transformation beyond that point to manage within our funding limits; • judgement on the use of reserves, balances and contingency; • pressures arising that have not been factored into the budget or the Forward Together programme. <p>Risk Assessment: Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: HIGH Residual Risk HIGH</p> <p>Other Implications: None.</p>
<p>Recommendation</p>	<p>The Cabinet is asked to consider the contents of this report and, once consideration has also been given to the addendum to be issued after the final settlement is announced:</p> <p>(i) agree to the additional savings proposals detailed at paragraph 3.3 of the report;</p>

	<ul style="list-style-type: none"> (ii) consider the service issues and risks associated with the savings measures in Appendix 2 and the feedback from Overview Committees and other sources concerning these; (iii) note the impact on the Authority's reserves, balances and contingency budget as a result of the strategy for balancing the 2016/17 budget; (iv) confirm the Council Tax increase of 3.99% (including 2% for the social care precept) for 2016/17 and 3.99% for planning purposes for the remainder of the MTFP period to 2019/20; (v) recommend to the County Council: <ul style="list-style-type: none"> a) the revenue budget strategy for 2016/17 to 2019/20 b) the budget requirement and precept for 2016/17 c) the position on general balances and reserves; (vi) require the Chief Financial Officer to present to the County Council a schedule setting out the Council Tax for each category of dwelling and the precepts on each of the Dorset Councils for 2016/17 (vii) agree to re-establish the Budget Working Group in order to develop savings proposals to address budget gaps over the remainder of the MTFP period.
Reason for Recommendation	To approve the Council Tax increase for 2016/17 and to enable work to continue on refining and managing the County Council's budget strategy for 2016/17 and beyond.
Appendices	<ul style="list-style-type: none"> 1 – CPMI for December 2015 2 – Summary of savings proposals for 2016/17 (and subsequent years in draft) 3 – Provisional budget and precept summary 2016/17
Background Papers	<p>Society of County Treasurers' briefing papers Spending Review 2015 and Chancellor's Autumn Statement Local Govt Finance Settlement 2016/17 MTFP updates 8 July 2015, 28 October 2015, 16 December 2015, 13 January 2016</p>
Officer Contact	<p>Name: Jim McManus, Chief Accountant Tel: 01305 221235 Email: j.mcmanus@dorsetcc.gov.uk</p>

1. Background

- 1.1 The Medium Term Financial Plan (MTFP) sets out the key financial arrangements and assumptions on which the County Council's budget is based. It underpins delivery of the County Council's Corporate Plan. This report (and the addendum to be issued once the final settlement is announced) is the fifth and final of the year to update Members on the current financial position and the forecast for the next four years.
- 1.2 When Cabinet considered the budget strategy in December 2015, members agreed that proposals for savings in 2016/17 put forward by the Forward Together Board be adopted as the basis for consultation and further development. It further agreed that the detailed budget be prepared on the basis of a 3.99% increase in Council Tax; thereby signalling a clear requirement to levy the full amount possible, including the new social care precept.
- 1.3 Cabinet is now asked to recommend the Budget Strategy to the County Council. In determining the Strategy, Council must take account of the following:
- the resources available; particularly through council tax and social care precept, the settlement and the impact of the funding formula over the MTFP period;
 - the present national economic situation and the Government's adherence to the fiscal tightening strategy and extension of the austerity programme to balance the national budget;
 - advice and information issued by the Government, including the report of the Spending Review 2015, the Chancellor's Autumn Statement issued in December 2015 and the final local government settlement;
 - the Prudential Code for Borrowing and the County Council's capital financing policy;
 - the County Council's corporate aims and priorities, agreed by the Cabinet;
 - the potential impact of the strategy on service provision and the Council's performance in key service areas;
 - the response of the Overview Committees that met in January to the draft strategy and savings proposals;
 - the feedback from public and business consultation;
 - the risks associated with reducing funding for current services or not addressing budget pressures;
 - the risks associated with the Forward Together programme savings and the elimination of the structural budget deficit over the MTFP period;
 - the material use of reserves and balances;
 - the turbulence in funding and associated risk that will continue throughout the MTFP period, particularly from the localisation of business rates.

2. Local Government Finance Settlement

- 2.1 The provisional local government finance settlement was presented to The House by the Secretary of State for Communities and Local Government, Greg Clarke, on 17th December 2015. The County Council had anticipated an extremely challenging

funding round and planned for an initial reduction in RSG of 30%, with the remainder being eliminated over the following two years.

- 2.2 The reality of the announcement was that the authority would lose over 47% of its RSG in the first year and the remainder after year 2. Not only this, RSG would actually become negative; -£2.1m in 2018/19 and -£10.2m in 2019/20. More details on the outcome of the settlement and a fuller explanation of how it came about were set out in the January report and are not repeated here.
- 2.3 Since 17th December, however, Officers and Members have been busy briefing local and national politicians, Ministers and civil servants and making them aware of Dorset's position. We have prepared written briefs, press statements and various forms of analysis to explain our situation clearly to colleagues, the media, local and central Government colleagues in the hope that we could achieve an improved position in the final settlement.

3 Updated financial position

- 3.1 The Cabinet meeting on 16 December 2015 agreed the basis on which further development of the budget for 2016/17 and the financial plan for the following years should continue, subject to clarification of the detail in the local government finance settlement which was received the day after the meeting. Our planning up to the point of the provisional settlement had allowed us to close the budget gap for 2016/17 to just £0.4m.
- 3.2 A further update was provided for Cabinet on 13 January 2016, setting out the impact that the settlement had on the Authority's budget strategy. The impact of the provisional settlement has been to increase the budget gap in 2016/17 by a further £7.3m. The absence of consultation and lack of time for us to be able to plan to close much of the gap with permanent savings, means that it will be necessary to apply reserves as one-off funds and make permanent savings to compensate, ready for 1 April 2017.
- 3.3 In addition to the savings proposals outlined in the December Cabinet report (see Appendix 2), further plans drawn up to close the budget gap in 2016/17 include:-

Acceleration of SEN Transport savings from 2017-18	£500k
Tricuro NI borne by provider	£300k
Review of Contracts and Terms & Conditions	£400k
Members Divisional Budgets (see 3.4 below)	£225k
Accelerate Support Services Transformation	£200k
Increments – services to bear their own costs	£905k
TOTAL	£2,530k

Members Divisional Budgets

- 3.4 Divisional budgets for members to use in their wards were established in 2014/15 out of the previous year's underspend, to benefit local people in their communities. Funding was established on a one-off basis with a maximum carry forward to of £1,000 per Member. Members had originally agreed to make this part of the base budget from 2016/17 but after the provisional settlement it is now proposed that Cabinet agree to discontinue these funds after 2015/16.
- 3.5 The remaining balance will need to be met from one-off funds. Proposals include:-
- use of £4m of capital balances which had been planned to be used to fund part of the capital programme at £2m per annum. This means the capital programme will need to be reviewed - and £4m of expenditure removed to avoid additional capital financing costs falling to the revenue budget.
 - Use of £1m from the insurance reserve where provisions for known liabilities are currently lower than the funds set aside.
 - Use of part of the collection fund surplus (see section 9, below).
- 3.6 The exact mix of proposals used to balance the budget could be varied on receipt of final settlement if any transitional support was provided by government and any remaining balance used to smooth savings required in future years.
- 3.7 The final settlement will not be issued until 4th February – after the date on which this report must be issued. An addendum to this report will therefore be issued once the impact of final settlement is clear. Any material impact on the assumptions currently set out in this paper will be drawn out.

4 Council tax strategy

- 4.1 Cabinet has been clear and consistent in its strategy for council tax throughout the year. Because of the reductions in funding, Cabinet has reluctantly decided that it is necessary not only to increase council tax by 1.99% across the MTFP period, but also to levy the 2% social care precept in each of these years, too. The 3.99% increase will be worth around £7.9m in 2016/17.
- 4.2 The full increase of 2% for the social care precept must be used for adult social care. This does not, however, mean that the Adult & Community Services budget simply increases by this amount. This budget is the highest area of the Council's spend and clearly cannot be protected from either efficiency savings or other budget reductions, such is the magnitude of the funding change.
- 4.3 The level of grant cuts being faced by the council over the next 4 years together with the cost pressures, especially from demographics and the National Living Wage lead to the very significant budget gap detailed above. The introduction of the social care precept will allow a further 2% addition to council tax in each of the next 4 years. This would close the budget gap in each year by around £4m. It is therefore recommended that the planning assumptions for council tax are amended to 3.99% for the whole MTFP period, from 2016/17 to 2019/20.

5 Feedback from January Overview Committees and other service considerations

- 5.1 An update on points raised by the overview committees will be provided at the meeting. Scheduling of the Committees makes it very difficult to include feedback in this report.

6 Forward Together position and prospects

- 6.1 Cabinet has been informed regularly throughout the year, through these MTFP update reports and other specific reports from the FT Board, about the programme progress and savings targets. As is mentioned elsewhere in this report, we are on-track to achieve all bar around £105k of FT savings in 2015/16.
- 6.2 Beyond the current year, however, the forward together programme will need to be revolutionised. The level of funding cuts implemented in the 2016/17 settlement over the four-year Spending Review period was unprecedented. Around £48m of revenue support grant has been removed from our base position and we need to achieve more savings on top of this to deal with the pressures of inflation, demographics and the national living wage to name but three.
- 6.3 County Leadership Team and Cabinet have discussed bringing back the budget working group (BWG) process that has been used, successfully, to focus on specific budget savings in the past.

7 Contingency, reserves and balances

- 7.1 The 2015/16 base budget for contingency was £2.8m. As usual, it has been subject to a broad range of calls this year and December CPMI anticipates the fund being overdrawn by £0.4m. This could rise still further depending on redundancies to be confirmed before 31 March. Contingency for 2016/17 is currently £2.5m.
- 7.2 The authority's balances (the general fund) closed 2014/15 at £11.9m. Cabinet gave approval during the last MTFP for one-off use of balances for deprivation of liberties work (£419k) and children's social care work (£550k in 2015/16 plus £400k in 2016/17) bringing the uncommitted balances figure down to £10.5m. Our (current) predicted overspend would also reduce this balance commensurately. However, members will also be aware of the work carried out by the Capital Accounting Team on the authority's Minimum Revenue Provision and other. Regular reviews of our other reserves which are no longer required for the originally designated purposes and which can be released to the general fund. We can therefore summarise our anticipated balances position at 31 March 2016 to be as shown below.

	£000	£000
Closing balances as at 31/03/2015		11,905
Deprivation of liberties	(419)	
Children's social work 2015/16	(550)	
Children's social work 2016/17	(400)	
		(1,369)
Anticipated overspend 2015/16		(2,918)
MRP changes/reserves review		3,000
Anticipated balances 01/04/2016		<u>10,618</u>

- 7.3 As part of the budget strategy for 2014/15, Cabinet agreed changes to the Authority's framework for operating balances. The thresholds for balances have been retained for this year's budget strategy and MTFP work:

<u>Absolute minimum</u>	<u>Operating range</u>	<u>Maximum</u>
0.8% of gross spend	1% to 2% of gross spend	2.5% of gross spend
£8.0m	£10m to £20m	£25m

- 7.4 We can see that the funding changes implemented by the Government in the settlement will bring our operating balances very close to the bottom end of our operating range and extreme care is therefore required before making any further commitments. It is imperative that we continue pressure on expenditure this year to reduce the underspend while maintaining clear focus on our FT programme and the savings that must be delivered, through the budget working groups to ensure our balances do not reduce below the operating range.
- 7.5 At the end of each financial year, as part of our closedown process, we review reserves and balances to consider if anything can be released if it is no longer required for the purposes originally intended. This will be repeated shortly after 31 March 2016 and any results will be fed into the July MTFP update for Cabinet.
- 7.6 During 2014/15, Cabinet decided to rationalise reserves and topped-up the MTFP reserve to a total of £7.2M at 31 March 2015. Of this, £3.65m was committed to addressing structural deficits in 2015/16. Our regular review of reserves has resulted in an additional £4.5m of other funds being consolidated into the MTFP reserve, alongside the £4m capital balances referred to elsewhere in this report bringing the expected balance at 31 March 2016 to £12m. This funding is available to support the balancing of the 2016/17 budget and the £5m one-off funding required to support the transformation work to reduce the numbers of children in care.

8 Consultation and equality

- 8.1 This high level update of the Budget Strategy does not, in itself, involve a change in strategy and therefore does not require an impact assessment. However, as the strategy for managing within the available budget is developed and as particular courses of action are formulated and consulted upon, Directorate Management teams will take forward specific impact assessments for relevant equality groups.
- 8.2 The major public consultation exercise carried out this year was the Ask Dorset Campaign. The results of this have been used to inform decisions around this year's budget and will now be a significant driver for the revised Corporate Plan and in informing the forward together 2020 programme and budget working groups.

9 Other factors

Collection funds

- 9.1 As mentioned elsewhere, we have received the estimates from the district councils of the surpluses and deficits on their council tax collection funds. This has added around £3.8m to the Council's budget but as also noted, this is not base budget funding and is available for one-off use only in 2016/17.

10 Risk assessment

- 10.1 A number of risks have been identified and reviewed during this annual update of the MTFP and budget setting round, which include:
- the possibility that the Forward Together programme (including the continuing elimination of the structural overspend) fails to deliver transformation at the level that is required over the MTFP to deliver the savings required, or that the programme needs additional investment to realise the savings that have been identified ;
 - economic performance does not match the expectations of central Government plans and even more austerity measures are applied to our funding;
 - continuing risks from the Business Rates Retention scheme as the risks lie materially with local authorities, not with central Government;
 - the actual impact of the new Single State Pension on the current national insurance contracted-out rebate;
 - there is a risk that Government policy across a range of services will impact on the demands on our resources, most specifically the Dilnot reforms for adult social care;
 - Better Care Fund – despite apparent and clarity over funding (particularly from 2018/19) there are continuing risks that this funding will be accompanied by new burdens or responsibilities or that the fund will be encumbered in some way
 - grant amounts of which we have not yet advised. These include the independent living fund, extended rights to free travel, social care capital grant and the better care fund.
 - The risk any further overspends on service budgets in the context of the reduced level of our general balances.

11 Statutory declarations

- 11.1 Section 25 of the Local Government Act 2003 requires all financial officers with *Section 151 responsibilities* to make a statement regarding the robustness of estimates and the adequacy of reserves at the time the budget is set. The Council has a statutory duty to “have regard to the report when making decisions about the calculations”.
- 11.2 There are also other safeguards aimed at ensuring local authorities do not over-commit themselves financially. These include:
- the Chief Financial Officer's powers under section 114 of the Local Government Act 1988, which require a report to the Cabinet and to all members of the local authority if there is or is likely to be unlawful expenditure or an unbalanced budget;
 - the Local Government Finance Act 1992, which requires a local authority to calculate its budget requirement for each financial year, including the revenue costs which flow from capital financing decisions. The Act also requires an authority to budget to meet its expenditure after taking into account other sources of income. This is known as the ‘balanced budget requirement’;
 - the Prudential Code, introduced under the Local Government Act 2003, which has applied to capital financing and treasury management decisions from 2004/05;

- the assessment of the financial performance and standing of the authority by the external auditors, who give their opinion on the financial standing of the authority and the value for money it provides as part of their annual report to those charged with governance.
- 11.3 The robustness of the budget critically depends on the maintenance of a sound financial control environment including effective financial management in each of the Council's service directorates. Dorset's Scheme of Financial Management sets out the responsibilities of all those involved in managing budgets and incurring commitments on behalf of the County Council. It was substantially reviewed and rewritten to coincide with the introduction of DES and updated again in January 2014 to reflect the changes made to Contract Procedure Rules and the Scheme of Delegation. Under the scheme, managers are required to identify savings to offset overspends elsewhere on budgets for which they are responsible. I will be writing to each Director and Head of Service to remind them of their obligations under the County Council's *Scheme of Financial Management*.
- 11.4 Whilst budgets are based on realistic assumptions, some budgets are subject to a degree of estimating error as actual expenditure can be determined by factors outside the Council's control, for example demand-led budgets such as provision for adults with a learning disability. It is also generally not appropriate or affordable to increase budgets to reflect overspends in the previous year. A reasonable degree of challenge to manage within the resources available is necessary and monitoring of expenditure, in order to take corrective action if necessary, is particularly important during a time of budget reductions.
- 11.5 The Council has well-developed arrangements for the monitoring of budgets during the year, which are reported through the Corporate Performance Management Information system (CPMI), published via SharePoint. This includes detailed information on the "Top 20 Budgets" and Cost Centre expenditure against budget, which is updated on a monthly basis.
- 11.6 Technical aspects of the budget process applied for 2016/17 have been similar to recent years. The Resource Allocation Model (RAM) again provides a robust mechanism for addressing inflationary, demographic and volume pressures in an open and fair manner. It provides a sound platform on which to build and develop future medium term financial strategies and budgets.
- 11.7 Member involvement in budget development has been exercised particularly through meetings of the *Forward Together Board*. Nevertheless it is now considered necessary to re-establish the Budget Working Group, with its very specific focus and challenge, to develop savings proposals. It is suggested that the Budget Working Group should comprise a much smaller membership than the Forward Together Board. Its terms of reference and membership will be the subject of discussion between myself, the Leader, the Chief Executive and the Monitoring Officer.
- 11.8 Senior Members and officers worked well together to bring forward proposals for consultation that would balance the budget in 2016/17. An all-member briefing was held in October after the Cabinet meeting. Portfolio Holders have taken a lead on all budget proposals presented to the Cabinet and the overview committees. A further briefing will be held after this Cabinet meeting to ensure that all members are fully informed before the County Council determines the budget and precept on 15 February.

- 11.9 In addition to the above and discussions at committees, members have had access to the four earlier, detailed budget reports which have provided the national and local context for the medium term financial plan and budget strategy. These reports included an update for the provisional local government finance settlement which triggered the activity across the County with our MPs, Ministers and civil servants to address the sudden funding shortfall. There have also been all-member briefings on the 2014/15 outturn and the 2016/17 budget. The budget strategy has also been covered in meetings of the Audit and Scrutiny Committee.
- 11.10 Taking all these factors into consideration, I consider that the estimates prepared in line with the strategy explained in this report are robust. However, the challenge of managing expenditure within them should not be underestimated; particularly given our short-term dependence on reserves and the need to deliver significant budget reductions by 1 April 2017. Close monitoring will be required during the year and prompt corrective action must be taken whenever planned savings are not being delivered and progress toward a balanced budget for 2017/18 is not sustained. The position outlined above, regarding the authority's projected general fund balance makes achievement of our savings targets critical.

Richard Bates
Chief Financial Officer
February 2016

CPMI – December 2015

Cost Centre Management Budget Monitoring Summary	Year	2015-16	October	November	December	Responsible Officer	'Above Line' Net Budget Only £000's	Forecast £000's	Projected Under/(Over) Spend £000's	Projected Under/(Over) Spend £000's	Projected Under/(Over) Spend £000's
Children's Services Directorate											
Non-Schools Budget											
Family Support			27,730	32,660	(4,445)	(4,707)	(4,930)				
Strategy, Partnerships and Performance	Vanessa Glenn		9,460	9,163	102	247	296				
Other Services	Anne Salter		2,196	1,859	300	326	337				
Learning and Inclusion services	Sara Tough		20,917	20,196	566	597	721				
Children's Services (Non DSG) Total	Phil Minns		60,303	63,878	(3,478)	(3,537)	(3,575)				
Schools Budget											
Learning and Inclusion - High Needs Block (excluding school balances)	Phil Minns		23,103	23,530	(217)	(37)	(427)				
Learning and Inclusion - Early Years Block	Phil Minns		14,637	13,269	943	943	1,368				
Strategy, Partnerships and Performance - Schools Central Budgets	Anne Salter		2,913	2,329	582	591	584				
Total Net Central Expenditure			40,653	39,128	1,308	1,497	1,525				
Dedicated Schools Grant and other funding (Schools Central)			(185,700)	(187,104)	0	0	1,404				
Delegated Schools Budgets (including Special Schools and Learning centres)			153,652	153,857	(40)	(40)	(205)				
Schools Budget Total			8,605	5,882	1,268	1,457	2,724				
Adult & Community Services Directorate											
Tricuro	Alison Waller		26,717	26,717	0	0	0				
Adults Services	Harry Capron		77,838	79,901	(2,676)	(2,128)	(2,063)				
Partnerships and Performance	Alison Waller		6,733	6,506	235	229	227				
Registration Service	Paul Leivers		0	(57)	64	69	57				
Library Service	Paul Leivers		4,784	4,739	55	46	45				
Early Help	Paul Leivers		523	505	25	25	18				
Archives & Museums	Paul Leivers		480	477	4	4	4				
Adult & Community Services total			117,076	118,787	(2,293)	(1,755)	(1,711)				
Environment and the Economy Directorate											
Economy, Planning & Transport	Matthew Piles		2,045	1,949	81	108	96				
Dorset Passenger Transport	Matthew Piles		17,092	17,134	(44)	(37)	(42)				
Business support Unit	Matthew Piles		611	561	31	42	51				
Coast & Countryside	Peter Moore		2,997	3,146	(200)	(152)	(149)				
Estates & Assets	Peter Moore		(316)	(247)	(84)	(40)	(69)				
Buildings & Construction	Peter Moore		321	(72)	275	255	394				
Pooled R&M	Peter Moore		0	0							
Network Management	Andrew Martin		1,617	1,591	60	18	26				
Network Development	Andrew Martin		1,034	963	39	67	70				
Network Operations	Andrew Martin		4,758	4,735	(19)	28	23				
Fleet Services	Andrew Martin		25	(39)	50	65	65				
Director's Office	Mike Harries		296	275	(244)	45	21				
Streetlighting PFI	Andrew Martin		3,824	3,824	0	0	0				
Environment and the Economy Directorate Total			34,304	33,819	(56)	396	485				
Chief Executives											
Chief Executives Office	Debbie Ward		296	297	(4)	(10)	(1)				
Partnerships	Patrick Myers		393	365	34	37	28				
Communications	Patrick Myers		232	230	0	20	2				
Policy and Research	Patrick Myers		530	527	9	4	3				
Commercial Services	Karen Andrews		858	847	2	13	11				
Governance and Assurance	Mark Taylor		495	480	0	0	15				
Assistant Chief Executive	Patrick Ellis		238	252	(1)	(11)	(13)				
Legal & Democratic Services	Jonathan Mair		2,746	2,728	22	22	17				
Financial Services	Richard Bates		1,880	1,800	56	77	80				
ICT	Richard Pascoe		6,669	6,722	(225)	(74)	(52)				
Emergency Planning	Simon Parker		204	208	(3)	(3)	(4)				
Human Resources	Sheralyn Huntingford		2,065	1,929	135	136	136				
Directorate Wide	Patrick Ellis		0	0	(248)	(248)	(248)				
Cabinet			3,448	3,340	101	123	108				
Chief Executives Total			20,056	19,726	(121)	87	82				
Partnerships											
Dorset Waste Partnership	Karyn Punchard		21,134	21,382	(229)	(242)	(248)				
Public Health	David Phillips		0	0	0	0	0				
Partnerships Total			21,134	21,382	(229)	(242)	(248)				
Central Finance											
General Funding	Richard Bates		(14,703)	(14,703)	0	0	0				
Capital Financing	Richard Bates		27,951	25,451	399	2,500	2,500				
R&M	Richard Bates		1,244	1,244	0	0	0				
Contingency	Richard Bates		(9,147)	(8,697)	(150)	(450)	(450)				
Precepts/Levy	Richard Bates		677	677	0	0	0				
Central Finance	Richard Bates		(267,500)	(267,500)	0	0	0				
Central Finance Total			(261,477)	(263,527)	249	2,050	2,050				
Total Above Line Budgets			0	(54)	(4,660)	(1,544)	(194)				
Excluding Schools Budgets			(8,605)	(5,936)	(5,928)	(3,001)	(2,918)				

Appendix 2 - Adult & Community Services
Savings for consideration during MTFP 2016/17

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Partnerships & Performance Restructure	230	90	0
Description	Final phase of staffing restructures covering three areas of the service.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
'Early Help' and Community Services Restructure	200	0	0
Description	Staffing restructure.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
'Supporting People' programme savings	1,049	170	0
Description	Savings from contract reviews		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Mental health service agreements	0	76	0
Description	Savings from contract reviews		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Library Management System/ICT	50	0	0
Description	Estimated savings arising from implementing a new system.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Reshaping of the mobile library service	73	63	0
Description	Reshaping the mobile library service and commissioning services for people who are housebound		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
'Pooled budget' reductions	0	3,640	3,640
Description	Establish 'pooled budgets' and achieve reductions through working with partners		
Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Establish fully integrated staffing with NHS partners	0	300	0
Description	Achieve fully integrated staffing with NHS partners to save management costs of 10%		
Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
New operating model and strategy for libraries	0	253	500
Description	Implement a new operating model and strategy for libraries.		
	2016/17	2017/18	2018/19
	£000	£000	£000
Total proposed Directorate savings	1,601	4,591	4,140

Appendix 2 - Children's Services
Savings for consideration during MTFP 2016/17

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Review of Youth Service - Forward Together	750	250	0
Description	Refocus and repriorisation of the Youth Offer, focusing on targeted Youth Work and outreach.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Commissioning and Contracting	245	250	250
Description	Review of Short Breaks, Connexions and Children's Centres (including inhouse provision)		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Staffing restructures	170	275	250
Description	Includes review of the Business Support offer, as well as minor post readjustments.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
SEND placement commissioning	0	600	
Description	Efficiencies made at the Cherries Children's Home to take on more complex children to reduce out of county placements and recovery of Education costs from the DSG		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Traded Services Business Development	150	150	100
Description	Development of Traded Service business model to become entirely self funding by April 2019.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Whole Department non staff spend review	700	600	0
Description	Review of all external spend and contracts on £65m of non staffing spend.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
SEN Transport	1,250	250	0
Description			
Continuation of the progress made on improving and enhancing the service delivery and route optimisation.			

	2016/17	2017/18	2018/19
	£000	£000	£000
Total proposed Directorate savings	3,265	2,375	600

Appendix 2 - Environment & Economy
Savings for consideration during MTFP 2016/17

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Directorate restructure - part year effect	375	171	0
Description	This is the remaining part year effect of the Directorate restructure for 2016/17		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Charge for planning pre-application/advice	45	0	0
Description	Planning pre-application charging to third parties for advice		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Planning service efficiencies	4	14	0
Description	Increase the efficiency and monitoring of the Planning service through better ways of working & replacement of planning development software		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Regulation 3 applications	15	25	0
Description	Discussion to devolve Regulation 3 applications to District Councils.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Holistic Transport Review Phase 2	1,280	1,250	0
Description	1) Reduce Public Transport Subsidy 2) Weymouth Park and Ride: To cease at the end of September 2015 and move to Summer only operation. 3) Rationalise Mainstream Home to School Transport Routes		
	500	1000	
	180		
	600	250	

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Real Time Passenger Information - Transfer to operators	50	50	0
Description	Transfer the management of Real Time Passenger Information to bus operators		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Transport related	60	20	0
Description	Transport related savings including Training Services & Publicity		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Improved business processes	94		0
Description	Improved business processes including electronic/automated timesheets for highways manual workers and reduced dedicated ICT support		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Road Safety Camera Partnership	75		0
Description	Withdrawal of remaining contribution to the Road Safety Camera Partnership		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Estates & Assets additional income opportunities	56	26	0
Description	Estates & Assets additional income opportunities including an energy surcharge and harnessing further income from the Technical Services Team.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Highways Verges	0	30	50
Description	Savings will arise from the renewal of third party contracts and, based upon the strategy approved by the Cabinet in 2014, a reduction in cost by reducing fertility of verge soils and therefore the amount of vegetation that needs cutting.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Country Parks buildings	0	20	0
Description	Incremental increases in income from planned improvements at Country Parks.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Property services related savings	0	50	0
Description	As the corporate property estate contracts, there will be opportunities to make savings in the Property Services budget.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Street lighting energy savings	182	0	0
Description	Street lighting energy savings due to the roll out of part-night burn and LED conversions.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Strategic Pan County On Street Parking Review	100	250	50
Description	Implementation of revised strategic approach to residents parking and on street pay and display and an examination of future service delivery models for on-street parking enforcement.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Flood Risk Management	10	0	0
Description	Introduce charging for the new Flood Risk Management Statutory planning consultee role (being piloted at present)		

	2016/17	2017/18	2018/19
	£000	£000	£000
Total proposed Directorate savings	2,346	1,906	100

Appendix 2 - Chief Executive's Dept
Savings for consideration during MTFP 2016/17

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Insurance savings	150	0	0
Description	A reassessment of the level of insurance cover that is required		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Financial Services restructure	80	0	0
Description	Restructuring to deal with the loss of income as a result of the merger of Dorset Fire Authority as well as reprioritising our staffing levels to meet the needs of the Directorates.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Human Resources - Review of Employee Well-Being/Supplies & Services/full implementation of HR & OD Structure	100	0	0
Description	Review of the Employee Well-Being support function as well as a review of Supplies and Services expenditure.		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Reduction in cost of the Lexis on line law library	10	0	0
Description	as above		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Digital Courtroom Pilot	10	0	0
Description	To enable withdrawal from the document exchange system and other manual processes		

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Increased charging for external legal services	40	0	0
Description			
To pass on the real costs of services to external bodies			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Review of Member catering arrangements	8.8	0	0
Description			
as above			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Membership of Local Government Pension Scheme	0	56	0
Description			
Councillors cease to be entitled to be active members of the LGFS in 2017			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Dorset Public Sector Network (DPSN)	87.5	0	0
Description			
Reduction in account manager support (Client Services Manager)			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Dorset Public Sector Network (DPSN)	30	0	0
Description			
Reduction in account manager support (Life Cycle Consultant)			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Dorset Public Sector Network (DPSN)	45	100	0
Description			
Increased use of Superfast Broadband allowing decommissioning of services in BT exchanges			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Dorset Public Sector Network (DPSN)	0	100	0
Description			
Replacement of telephone system with new functionality			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
ICT restructure	45	0	0
Description			
Restructure of Management Team			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
ICT - reduction in license costs	10	0	0
Description			
as above			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
ICT - reduction in Printing Costs	10	0	0
Description			
as above			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Dorset Direct	52	0	0
Description			
Reduction in avoidable contact			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Business Centre	21	0	0
Description			
Further miscellaneous reductions			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Cross Directorate Support Services Transformation	200	1,300	0
Description			
Major Support Services Transformation as advised			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Corporate Development Team Restructure	165	0	0
Description			
Restructure of all teams to achieve better alignment with Directorates needs.			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Corporate Development - Adjustment to VCSE funding	50	50	0
Description			
Adjustment to allocation of grant funding to VCSE compensated for by new role supporting sector to increase external funding.			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Corporate Development - increase in income to meet core costs	70	0	0
Description			
Income to provide funding for post allocated to school income generation.			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Corporate Development - reduction in posts within structure and vacancy management	30	50	0
Description			
Maintain establishment function whilst allowing for natural post reductions.			

	2016/17	2017/18	2018/19
	£000	£000	£000
Total proposed Directorate savings	1,214.3	1,656.0	0.0

Appendix 2 - Whole Authority
Savings for consideration during MTFP 2016/17

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Way We Work Property Programme reduction in estate	428	503	905
Description			
Office accommodation	205	205	220
Children Focused properties incl. youth and children's centres	85	114	143
Adult Focused properties vested in Tricuro, incl. day centres and residential care centres	0	0	312
Customer Service Focused properties incl. libraries, leisure centres, country parks	97	130	162
Other/miscellaneous properties incl. housing and museums	18	24	30
Operational Focused properties incl. depots and workshops	23	30	38

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Way We Work Travel related	98	68	0
Description			
County Buildings related savings inc charging for residents & visitors parking			

Savings measure	2016/17	2017/18	2018/19
	£000	£000	£000
Vehicle leases	50	50	0
Description			
Vehicle leases			

	2016/17	2017/18	2018/19
	£000	£000	£000
Total proposed Authority-wide savings	576	621	905

	2016/17	2017/18	2018/19
	£000	£000	£000
Total proposed savings	9,002	11,149	5,745

Provisional budget and precept summary 2016/17

Provisional Precept and Budget Summary 2016-17					
			£	£	
Budget Requirement: -				264,859,864	
To be met from: - Start-up Funding Assessment				56,143,158Cr	
Council Taxpayers				208,716,705	
Estimated Surplus on Collection Funds				3,800,036Cr	
Precept required in 2016-17				<u>204,916,670</u>	
PRECEPTS					
District Councils	Tax Base	Estimated Surplus on Collection Funds	Precept	Tax Base	Precept
	2016-17	2015-16	2016-17	2015-16	2015-16
		£.p.	£.p.		£.p.
CHRISTCHURCH	19,528.00	513,526.00Cr	24,679,095.84	19,253.00	23,397,593.31
EAST DORSET	36,824.00	918,370.00Cr	46,537,434.72	36,446.00	44,291,730.42
NORTH DORSET	25,687.70	217,521.00	32,463,601.51	26,135.60	31,761,810.61
PURBECK	18,656.44	295,869.79Cr	23,577,635.74	18,452.92	22,425,280.09
WEST DORSET	40,881.80	1,424,040.00Cr	51,665,601.20	40,531.90	49,257,202.11
WEYMOUTH & PORTLAND	20,567.90	865,751.00Cr	25,993,300.66	20,389.40	24,778,626.14
	162,145.84	3,800,035.79Cr	204,916,669.68	161,208.82	195,912,242.68
COUNCIL TAX					
			2016-17		2015-16
	BASIC AMOUNT		1,263.78		£1,215.27
				3.99% increase	
	BAND A		842.52		810.18
	BAND B		982.94		945.21
	BAND C		1,123.36		1,080.24
	BAND D		1,263.78		1,215.27
	BAND E		1,544.62		1,485.33
	BAND F		1,825.46		1,755.39
	BAND G		2,106.30		2,025.45
	BAND H		2,527.56		2,430.54

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