

REPORT FOR: **CABINET**

Date of Meeting:	20 November 2014
Subject:	Budget Planning Process Update
Key Decision:	No
Responsible Officer:	Simon George, Director of Finance and Assurance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Proposed In-year savings (2014/15) Appendix 2 – Equality Impact Assessments

Section 1 – Summary and Recommendations

This report sets out both the £75m estimated budget gap for the four year period 2015/16 to 2018/19 and the indicative savings target of £30m for 2015/16. The report recommends the approval of in-year savings for 2014/15 of £131k.

Recommendations:

- 1) That Cabinet approve savings of £131k for in-year (2014/15) with the budget being vired into the Medium Term Financial Strategy Implementation Reserve (paragraph 1.2);

- 2) That Cabinet approve the saving proposal to move to a zonal responsive street cleaning service (Ref E&E E18) with an implementation date of 1 January 2015 to deliver a full year saving of £172k in 2015/16 (paragraph 1.3 and Appendix 1)

Reason: (For recommendation)

To ensure that:

- In-year (2014/15) saving proposals of £131k are approved for immediate effect
- A zonal responsive street cleaning service is implemented from 1 January 2015 to deliver a saving of £172k in 2015/16.

Section 2 – Report

1.0 Introductory paragraph

- 1.1 In July, Cabinet received the report ‘Budget Planning Process Update’. The report set out both the £75m estimated budget gap for the four year period 2015/16 to 2018/19 and the indicative savings target of £30m for 2015/16 and a recommendation to allow officers to undertake a budget process that delivers options to the Executive to meet both these indicative figures. Cabinet approved in year savings for 2014/15 of £1.601m for immediate implementation and delegated authority to the relevant corporate directors to consult on a number of preferred options to deliver further 2014/15 proposals which would be reported back to Cabinet for a decision. This report updates Cabinet on the progress of the preferred options and recommends to Cabinet further in- year (2014/15) savings of £131k for immediate implementation.

In-year savings 2014/15

- 1.2 To ensure the indicative target of £30m for 15/16 is achieved a number of savings have already been taken in-year (2014/15). A further six in-year savings, totalling £131k, are proposed for immediate implementation. Cabinet is recommended to approve these savings for in-year (2014/15) with the savings being vired from the directorate budgets to the MTFs Implementation Reserve. These saving proposals are summarised in table 1 below and shown in more detail in Appendix 1:

Table 1: In- year (2014/15) Savings - Summary

Directorate	2014/15 In-Year – agreed by July Cabinet	2014/15 In-Year – Proposals to November Cabinet for approval
	£'000	£'000
Pan organisation	0	0
Business Support	0	0
Resources	80	24
Environment & Enterprise (E&E)	659	107
Community, Health & Wellbeing	476	0
Children's Services	386	0
TOTAL	1,601	131

- 1.3 The proposed saving to move to a zonal responsive street cleaning service (Ref E& E E18) does not realise a saving in 2014/15. The proposal requires an implementation date of 1 January 2015 to achieve a proposed saving of £172k in 2015/16. Any savings achieved in 2014/15 will be off set against implementation costs.

Budget Planning Process 2015/16 to 2018/19

- 1.4 There are a number of key milestones to inform the budget planning process for 2015/16 to 2018/19. These are summarised below in table two below:

Table 2: Budget Planning Process 2015/16 to 2018/19

Milestone	Process
July 2014	Cabinet: Budget Planning Process Update
October to November 2014	Cabinet decisions as appropriate
December 2014	Cabinet: Draft Revenue Budget 2014/15 and MTFS Cabinet: Draft Capital Programme Cabinet: Fees & Charges 2015/16
February 2015	Cabinet: Final Revenue Budget 2015/16 and MTFS Cabinet: Final Capital Programme Council: Final Revenue Budget 2015/16 and MTFS

2.0 Consultation

- 2.1 The Council is committed to engaging and involving local people and local groups. On 11 September the Council launched its 'Take Part' engagement, a major conversation between the Council and Harrow residents about what the Council does in Harrow. This stage of the 'Take Part' engagement programme has been designed to explain to residents why the council is having to make an estimated £75m of budget reductions, ask for priorities and identify any additional

community capacity. This initial part of the engagement process is being carried out with all residents from 11 September to 8 November.

2.2 Alongside the 'Take Part' engagement programme, specific consultation was required on four of the in-year (2014/15) saving proposals within the E & E directorate contained in this report. The consultation approach included surveys to targeted groups as well as a customer satisfaction survey at the Civic Amenity site. The summary results for each proposal are as follows:

1. **Clinical Waste (Ref E&E E16)** – The survey asked users to state whether they would experience difficulties if the collection was extended to two weekly and they were provided with sealable plastic bags and an additional bin. The results were:
 - 84% of the items disposed of as clinical waste were nappies and incontinence pads
 - 49% respondents stated that they would experience significant difficulties namely offensive smell, unhygienic, lack of space for another bin. 42% who said they would not. The remaining 9% were uncertain.
 - 67% of the respondents were over 65 years old. 9 out of 10 (86%) are limited by disability and of those, 5 out of 10 (48%) were due to mobility issues.
2. **Highways Maintenance, lighting and drainage (Ref E&E E14 & E15)** - The survey asked respondents to provide a satisfaction rating with the current service and to identify priority areas to target maintenance if there is a reduction in reactive maintenance. The results were:
 - Current service levels which include elements of the proposals are rated as being very good to satisfaction by 58% of respondents
 - In terms of highway maintenance 89% stated that major routes were to be given priority for any reduced maintenance budgets
 - In terms of street lighting key intervention areas are:
 - Areas identified by the police as having an above average record of crime (91% of respondents)
 - Street lights installed for community safety reasons 88% of respondents
 - Formal pedestrian crossings and subways (85% of respondents)
3. **Civic Amenity Site (Ref E&E E17)** - The survey asked users to rate the current service as the savings proposal requires a reduction in staffing levels. The users were targeted based on those who visited while the reduction in staffing was in place as a trial.

- 90% of respondents stated that the staff assistance on site was good to very good and that staff had a good attitude.

4. Responsive zonal street cleansing for residential streets (Ref E&E E18) - The survey asked respondents to rate the current level of service, state their agreement to a zonal approach to street cleaning and state the area of priority. The results were:

- 65% satisfaction with the current service
- 60% support a zonal approach
- 85% stated that shopping centres would be first priority followed by areas of known for excessive littering and areas of high footfall.

2.3 Where consultation is needed with staff groups the council's internal procedures for organisational change will be followed.

3.0 Options considered

3.1 The indicative saving target for 2015/16 is £30m. The target has allocated to directorates on the basis of the 2014/15 net controllable budget. The directorate targets are indicative only. Should the consultation and equalities process highlight any outcomes that the council will be unable to accept it may be necessary to use alternative allocation methods and pursue further savings in other directorates.

4.0 Legal Implications

4.1 Section 151 of the Local Government Act 1972 states that without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 28 of the Local government Act 2003 imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against budget calculations.

4.2 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) Tackle prejudice, and

(b) Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race,
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

Equalities impact assessments need to be completed and considered by decision makers alongside the results of consultation with stakeholders.

4.3 Some of the proposals for savings relate to statutory functions of the Council. The process for changing service delivery of these may be subject to a statutory process or common law duties in relation to consultation. The Council must consider its public law decision making duties, including overarching duties in relation to equalities, when considering making changes to service delivery. Corporate directors will be supported by a council wide officer group advising on engagement and consultation. This includes access to legal advice on relevant considerations.

5.0 Financial Implications

- 5.1 This report proposes savings of £131k from the 2014/15 revenue budget with immediate effect. The savings are recommended for transfer to the MTFs Implementation Reserve.

6.0 Performance Issues

- 6.1 All saving proposals approved will be built into the budget as agreed and managed through the budget monitoring process which is reported to Cabinet quarterly.
- 6.2 The impact on performance will be measured through the performance regime and reported to Cabinet on a quarterly basis through the Strategic Performance Report.
- 6.3 The Environment and Enterprise directorate has a wide range of performance indicators that are measured by external bodies to ensure commonality across the country. The proposed savings incorporated in the 2014/15 in-year savings do not jeopardise the achievement of these targets with the exception of the proposal to move to a zonal responsive street cleaning service (ref E&E E18, proposed saving of £172k in 2015/16). This saving is likely to have an impact on the street cleanliness performance indicator but the Directorate will review its action plans to operate with a reduced budget.

7.0 Environmental Impact

- 7.1 There are no direct impacts from the report but individual saving activities associated with the proposals will be assessed for environmental impact where appropriate.

8.0 Risk Management Implications

- 8.1 Each proposed in-year saving has been risk rated to inform decision making.

9.0 Equalities implications

- 9.1 Section 149 of the Equalities Act 2010 created the public sector equality duty which is detailed in section 4 of the report (Legal Implications).
- 9.2 When making decisions in relation to service provision, the Council must take account of the equality duty and in particular any potential impact on protected groups.

- 9.3 The saving proposals recommended for immediate effect in 2014/15 (£131k in total) have been subject to an equalities impact assessment where appropriate. Please refer to Appendix 2 for the equality impact assessment documents, the results of which are summarised below in table three:

Table 3: Saving Proposals 2014/15 – Equality Impact Assessment

Reference	Initial EQIA	Full EQIA	Disproportionate Equality Impact	Consultation
E&E E14 – Highways maintenance	Yes	Not required	No	Yes
E&E E15 – Street Lighting & Drainage budgets	Yes	Not required	No	Yes
E&E E16 – Clinical Waste	Yes	Yes	Yes	Yes
E&E E17 – Civic Amenity Site	Yes	Not required	No	Yes
E&E E18 – Responsive zonal cleaning for residential streets	Yes	Yes	Yes	Yes
RES E03 – Project Management Office	No – not required	Not required	No	No – N/A

- 9.4 As a result of the outcomes of the equality impact assessments on the in- year savings detailed in table 3 above, two proposals have been identified as having a potential adverse impact on the Protected Characteristics of Age and Disability:

- **E&E E16 Clinical Waste.** 67% of the respondents to the consultation were over 65 years of age, nearly 7 out of 10 of all respondents. 9 out of 10 of the respondents (86%) are limited by disability and of those, 5 out of 10 (48%) were due to mobility issues.
- **E & E E18 Responsive zonal cleaning for residential streets.** There is the possibility that the reduced cleansing frequency in some areas may affect older people, those with mobility impairments and/or impaired vision, people in wheelchairs and/or people with other mobility impairments.

- 9.5 The EQIA's for both saving proposals identify actions to mitigate the assessed impact.

10. Council Priorities

- 10.1 This report deals with the use of financial resources which is key to delivering the Council's new priorities:

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

- 10.2 The impact on the newly agreed corporate priorities will be monitored closely through the Council's performance framework.

Section 3 - Statutory Officer Clearance

Name: Simon George Chief Financial Officer

Date: 10 November 2014

Name: Jessica Farmer on behalf of the
Monitoring Officer

Date: 10 November 2014

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap Divisional Director
Strategic
Commissioning

Date: 7 November 2014

Section 5 – Environmental Impact Officer Clearance

Name: Venetia Reid-Baptiste on behalf of the
Corporate Director
(Environment &
Enterprise)

Date: 7 November 2014

Ward Councillors notified: NO

Section 6 - Contact Details and Background Papers

Contact: Dawn Calvert - Head of Strategic Finance and Business
(dawn.calvert@harrow.gov.uk)

Background Papers:

[February 2014 Cabinet: Final Revenue Budget 2014/15 and Medium Term Financial Strategy](#)

[February 2014 Council: Final Revenue Budget 2014/15 and Medium Term Financial Strategy](#)

[February 2014 Council: Final Revenue budget 2014/15 and Medium Term Financial Strategy tabled document](#)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]