



<u>Committee and Date</u>	<u>Item</u>	<u>Paper</u>
Strategic Overview & Scrutiny Committee 2 nd December 2009		
	Public	

MEDIUM TERM FINANCIAL PLAN 2010/11 – 2014/15 AND REVENUE BUDGET 2010/11

Summary

This report sets out the financial parameters within which the 2010/11 Revenue Budget and Medium Term Financial Plan for 2010/11 to 2014/15 can be developed over the coming months by Members and Officers.

It builds on: the Cabinet / CMT joint budget meeting on 28 July; the recent meetings between Portfolio Holders, the Leader and Officers to discuss budget parameters and savings proposals, and the formal report to Cabinet on 23 September.

To date, Portfolio Holders have been considering the overall parameters within which the budget is being developed, including savings targets at a Directorate level. This report goes a stage further and sets out how these savings targets can be achieved across all Directorates. The most important new information, the detailed savings proposals for all Directorates, is contained in Appendix D.

Recommendations

Cabinet Members are asked to :

- A. Consider and comment on the financial plan and savings proposals for 2010/11.
- B. Consider the proposed consultation routes and next steps.

REPORT

Detail

1. The resources available for Shropshire Council in 2010/11 can be estimated with a reasonable degree of accuracy as set out in the table below.

SHROPSHIRE COUNCIL RESOURCE PROJECTIONS 2010/11	
	£
Revenue Support Grant/Business rate	91,487,539
Dedicated Schools Grant	151,369,092
Council Tax (0% to 3½% increase)	126,190,231
Collection Fund Surplus	400,000
<u>Available Resources</u> (Before Specific Grants and Income)	<u>369,446,862</u>

2. The total available resources for 2010/11 are estimated at £369m. This estimate is based on a number of assumptions which are set out below.

Revenue Support Grant/NNDR

3. The provisional Revenue Support Grant/NNDR settlement was announced in January 2008 and it is assumed that there will be no change to these figures when the proposed settlement is announced in late November. This is because 2010/11 is the third year of the 3 year grant settlement that follows the Government's Comprehensive Spending Review (CSR) 2007. Estimates of grants for future years, 2011/12 onwards, are difficult to make as the CSR 2010 has been deferred.

Dedicated Schools Grant

4. The Dedicated Schools Grant is based upon the latest available grant allocation and pupil projections made by Children and Young Peoples' Services. This figure takes account of the final allocations received for 2009/10. Please note that pupil numbers will change following the September count. Pupil data from this count will be available towards the end of October.

Council Tax

5. The estimated income from Council Tax of £126,190,231 is based upon the following assumptions:
 - That the council tax increase for planning purposes for 2010/11 is between 0% and 3.5% for the previous District and Borough areas to ensure that council tax equalises by 2011/12, which is in line with the commitment made in the Business Case for the Unitary Council.

9. The Leader, Chief Executive and Director of Resources have met with Portfolio holders and Directors to discuss the budget proposals within their portfolio and to work up detailed savings proposals. Details of the savings proposals for all Directorates are included at Appendix D. Presently the total savings identified of £7.6m exceed the target by £0.5m. This creates some scope for providing for service pressures or growth. Other recent developments include the announcement of the pay award for 2009-10, being 1.25% for the lowest grades and 1% for other grades. This compares with 2.5% provided for the 2 years 2009/10 and 2010/11 leaving 1.5% available for 2010/11. This is likely to be on the high side, and at a later date we could reduce the pay provision to cover service pressures or for other measures. List One of Appendix D sets out efficiency savings or savings that can be achieved through deletion of vacant posts or voluntary early retirement/redundancies. Savings in List One have no major service implications. Savings in List Two are more difficult to achieve and may involve service reductions, the deletion of posts that give rise to redeployment, or possibly compulsory redundancies. Consultation will take place with staff and trade unions on any redundancy proposals in accordance with the Council's Redundancy Policy.

Known Pressures for 2010/11

10. Managing budget pressures is a constant feature of working in a local authority. There are a number of budget pressures that have arisen in the first five months of 2009/10 that are being managed within existing resources. As we progress through the financial year the extent to which these pressures will continue into the new year becomes more quantifiable. Any additional budget provision applied to meet pressures will need to be matched by further savings. The pressures include :

10.1 Looked After Children's Services

An additional six children have required care placements which have resulted in a significant pressure on the Looked After Children's Budget. The total placements have increased from a budgeted 29 fte to 33 fte during the summer months. Care placements for looked after children cost on average £180,000 per year.

10.2 Home to School Transport

The contraction in the local bus contractor market has resulted in continued growth in tender prices for retendered routes. A number of strategies are being pursued to manage costs however the cost pressures are projected to outstrip budget provision by an estimated £0.9m in 2009/10. (Quarter 2 Monitor contains ways of managing this within the 2009/10 budget but some additional budget for 2010/11 is necessary.)

10.3 Special Educational Needs

Expenditure on out of authority placements for pupils with special educational needs is projected to overspend its budget based on the current and potential new placements during 2009/10. An additional 7.5 full time equivalent placements (£398,000) have been made so far in 2009/10.

10.4 Transition Cases for Young People with Disabilities

This pressure relates to children with disabilities who reach the age of 18 and transfer across to adult services. The Council has a potential 41 transition cases, of which 26 are anticipated to cost an additional £269,000 over budget.

10.5 Reduced Income from Free Swimming Grant

The free swimming initiative has been popular with the under 18s and the full year cost of the initiative is projected to be more than the free swimming grant received. Further detailed work needs to be done to assess the likely full year effect and to question whether grant increases may be made by the Government in support of this initiative.

10.6 Passenger Transport

The cost of providing public transport continues to increase, as uncertainty over fuel prices and the slowdown in the economy begins to impact via increases in tender prices received from operators and lower fares revenue from passengers. Further detailed work needs to be done to assess the likely full year effect. The savings proposals for Development Services include a number of proposals that will reduce passenger costs. These savings are presently being counted towards achieving the Directorate's overall savings target. More analysis is required to establish the extent to which these savings will be sufficient to deal with both the need to contribute to savings targets and the need to offset budget pressures.

10.7 Development Management

The effects of the slowdown in the housing and construction sectors have had a significant impact on the level of fees generated from planning applications and building control. We need to do further work to estimate the extent to which this slowdown will continue in 2010/11.

10.8 Reduced Income on Cash Balances

During the course of this year bank rates have been at their lowest levels for 60 years. If present base rates and interest rates continue then there will be a shortfall of interest receivable in the region of £0.7m. This shortfall is after allowing for a helpful reduction in the Minimum Revenue Provision (the minimum amount by which debt must be repaid in the year) arising from the Council's new higher level of capital receipts in hand. Current advice to the Council is that interest rates will rise in response to anticipated increases by the Monetary Policy Commission in base rates. The difficulty is in knowing when this will happen. We will continue to monitor the position and update Cabinet through future reports.

Medium Term Financial Plan 2010/11 – 2014/15

11. The medium term financial plan will also be developed over the coming months. The assumptions that have been made for future years include:
 - £1.6m Revenue Support Grant loss in 2011/12 onwards in relation to the cost of being in business.

- A £4m grant loss in 2011/12 onwards.
- Council Tax is equalised in 2011/12 and further Council Tax increases of 3.5% in 2012/13 – 2015. A Council Tax increase of 0% in 2012/13 has also been modelled.
- 2% pay inflation in future years
- 2% for price inflation.
- 1.5% increase in employers pension contributions (6% over 4 years).

12. The table below demonstrates the year on year savings that are required in future years.

	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
Resources	371,447	372,952	377,130	381,803	386,639
Assumed Grant Loss	-2,000	-4,000	-4,000	-4,000	-4,000
Base Budget	376,581	379,605	379,261	383,594	388,423
Savings to be Identified	-7,134	-10,653	-6,131	-5,791	-5,784

* Assuming 3.5% Council Tax Increase, £10.3m assuming a 0% Council Tax increase

13. Further calculations have been undertaken to establish the effect of a 0% increase in year 4 of the unitary (2012/13). This would reduce the resources available to the authority by £4.2m and would have the following effect on the savings to be identified in the medium term financial plan.

	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
Resources	371,447	372,952	372,952	377,130	381,803
Assumed Grant Loss	-2,000	-4,000	-4,000	-4,000	-4,000
Base Budget	376,581	379,605	379,261	383,594	388,423
Savings to be Identified	-7,134	-10,653	-10,309	-10,464	-10,620

Uncertainties in the Medium Term Funding for Local Authorities

14. This section of the paper summarises current views on the prospects for public sector spending and funding from 2010-11 at a national level. It is based on the best information presently available and is provided to demonstrate the extent to which funding for local authorities could change in the next 3 years.

15. It is now generally accepted that, given the need to reduce government borrowing and debt, the country faces up to a decade when spending will have to fall as a proportion of gross domestic product. At the same time,

taxes are also likely to have to rise. The Chancellor of the Exchequer has acknowledged that it will take two full parliaments of increasing austerity to get government borrowing back to acceptable levels.

16. The above pattern is the opposite of what has occurred from 2000/01 to 2008/09 and will see an increased emphasis on: efficiency savings; decisions being made as to which services authorities should continue to provide, charging for services and co-payments (a contribution from the client as well as the local authority).

2010-11

17. The Chancellor announced at Budget 2009 that formula grant and police grant for 2010-11 would remain as announced in the three-year settlement. At the recent CIPFA Conference independent commentators from the London School of Economics suggested that reductions in public spending as a whole could be as high as 15% rather than the 10% that HM Treasury has previously announced.
18. The likelihood is that education spending and health spending may be protected, but that there will be cuts in other public spending including all local government spending except for education. The cuts in local authority may be:
 - possibly coupled in some way to the efficiency savings being sought;
 - possibly held to inflation (but this would be at the optimistic end of the cuts spectrum).

Efficiency Savings

In the past local authorities have been required to make Gershon efficiency savings but have been allowed to keep the cash and recycle it for priority services. The time may have arrived when the local savings have to be made and the cash is cut by the Government.

19. At Budget 2009, local government's 3% CSR07 efficiency target was increased from £4.9bn to £5.5bn, with councils expected to find 4% efficiency savings in 2010-11. The additional £600m could be retained by councils to reinvest in services – i.e. not deducted from the Settlement.
20. Beyond CSR07, the Operational Efficiency Programme (OEP) anticipates an additional £9bn per annum efficiency savings in procurement, back office, IT and property running costs by 2013-14, with plans to realise up to £16bn property and asset sales in the three years from 2011-12.
21. It is not clear what local authorities' share of these savings will be, although warnings have been given not to use the current CSR as a guide. Similarly, there is nothing to say that Government will not, in future, deduct efficiency savings from Settlement grant provision.

22. In addition, future efficiency programmes may well be linked to the Total Place Initiative (discussed further below), with the potential for funding to also follow this route.

Total Place Initiative

23. The Total Place Initiative is a programme to map total public spending in a local area, with a view to identifying efficiencies through local public sector collaboration.
24. Sir Michael Bichard's strand of the OEP recommended the roll-out of Total Place audits. He was quoted as saying *"...if we are going to provide better services at less cost — which must be the future — then it must involve all public agencies working together more effectively....."*
25. The likelihood is growing that the main political parties will respond to the prospect of big public spending cuts by seeking cross-agency savings. This could lead to the Government jointly funding services that need to be delivered at the local level and making the relevant public bodies work together on finding the most efficient and effective means of delivery. The extent to which joint funding will restrict the quantum of direct funding flowing to local authorities is difficult to say – but it is probable that there will be some impact.
26. On current projections, joint funding is probably more likely in the 2014-15 to 2016-17 spending review period, although it cannot be totally discounted for the next spending review (2011/12 to 2013/14).

Projections - Spending Reviews 2011-12 to 2013-14 and 2014-15 to 2016-2017

27. Taking the 2008 Pre-Budget Report and the 2009 Budget forecasts together, the financial crisis is presently estimated by the Treasury to have permanently weakened the public finances by about £90 billion a year. The Treasury's plan is to bring the public finances back on track over the 8 years to 2017–18, starting after the probable date of the 2010 general election.
28. At the time of the pre budget report in November 2008, the Government predicted current spending on public services would grow at an average of 1.2% between 2011-12 and 2013-14. At the same time, investment spending would see real cuts of 2.6%; producing a growth in total spending of 1.1% per year.
29. By April 2009, Government forecasts had been downgraded - current spending would rise by only 0.7% a year in real terms over the three years of the Spending Review to 2013-14. Investment spending would *move to 1.25% of national income by 2013-14* - implying a real cut averaging 17.3% a year or around 40% comparing 2013-14 with 2010-11. The net effect of the above is that total public spending is set to fall over the next Spending Review.

30. At the time of Budget 2009, the Institute for Fiscal Studies estimated that the worsening of the fiscal and spending position would mean the Government had to cut a further £39bn from public expenditure - or increase taxes by this amount, or a mixture of both - by 2015-16.
31. If spending were to be cut back to deliver a balanced current budget, there would have to be an overall real terms freeze in public expenditure for at least five years. The undertakings to protect the NHS and schools would suggest all other services, including local government, would then face real terms reductions in grants.
32. Current Government plans are for half of the tightening to come in the next Parliament, with tax rises covering about 10 per cent of the tightening; cuts in capital spending covering about 15 per cent; and cuts in departmental current spending, to amount to some 25 per cent. The remaining half is to come in the Parliament after next.
33. If account is taken of rising debt interest bills, social security costs and other spending that the Treasury has little short-term control over, IFS estimated that the Departmental Expenditure Limits that cover central government spending on public services and administration would drop by 2.3% a year in real terms, or around 7% by the third year. And that's just if the pain is shared around evenly.
34. The levels of government borrowing and debt make it almost certain that councils will be looking at real terms cuts well into the next decade.
35. The latest thinking on the prospects for 2011-12 and beyond was published by the Institute for Fiscal Studies (IFS) and the Kings Fund on 20 July 2009. It looks at the implications for other expenditure areas of protecting NHS spending and forecasts that:
 - if the NHS received real increases of 2.5% a year from 2011 to 2017, other departments could need to cut budgets by an average of around 2.8% a year – more than 16% over six years;
 - if the NHS is given no real rise in funding other departments would need real budget reductions totalling around 8% by 2016/17;
 - the above cuts could be restricted if taxes were increased. Limiting other departmental cuts to 2% a year, while freezing the NHS budget over the next spending review period, would require additional revenue of around £10.6bn.
36. Again, it is unlikely that the pain will be shared out equally. In addition, it is probable that heavier cutbacks would be seen in the 2010 spending review period – possibly over 3% a year or 10% across the period.
37. By way of note, in June the Conservative health spokesman Andrew Lansley said that within Labour's overall spending envelope the Conservatives would protect the NHS, overseas aid and schools, and so other departmental

spending would need to be cut by 10% rather than 7%. The IFS have commented that, protecting health alone would raise the cuts needed elsewhere to 9.7%. Maintaining the current overseas aid target increases the needed cuts to 10.9% and protecting schools as well to 13.5%. But the Conservatives said subsequently that they would not in fact guarantee schools' spending.

38. The Conservatives have also put forward plans to reward authorities who hold council tax increases to 2.5% - additional grant of 2.5% to enable them to hold tax increases to zero. The shadow local government minister Bob Neill has said that the Tories' planned two year council tax freeze would allow the party time to make bigger changes to the funding system – we have had no indication of what these are likely to be, although they could include joint funding. One possibility about which there has been much debate is the reform of the Barnett Formula. The Barnett Formula directs more grant per head of the population to Wales, Scotland and Northern Ireland than it does to England. Economic circumstances have changed since its introduction, and the original intention of directing additional grant fairly to countries with relatively higher levels of economic deprivation is no longer being met.
39. The July 2009 *United Kingdom Prospects* report, published by the centre for economic and business research (cebr), says that the UK's fiscal deficit needs to drop down to £50bn by 2014-15. It predicts that the Conservatives would plug the gap by raising taxes £20bn and cutting spending by £80bn. If Labour is re-elected, the report predicts £40bn of extra taxes and £60bn of cuts.
40. As can be seen from the above, the trend over the last 9 months has been for forecasts to be recast each quarter – and not in any favourable way. It would be a cause of real concern if this trend does not reverse.

Specific Grants

41. Despite Government pledges to reduce specific grants/ring-fenced funding, the trend in recent years has still been for specific grant funding to increase at a faster rate than formula grant.

Trend In Grant Funding 2006-07 To 2009/10					
	2006-07	2007-08	2008-09	2009-10	2010-11
Special Grants	5.1%	5.4%	3.5%	4.6%	4.9%
Formula Grant	3.0%	3.7%	4.0%	2.8%	2.6%

42. This trend may not continue, which could imply that formula grant will bear a proportionately greater share of any cuts in funding.
43. The problem for authorities is that, even if specific grants increase at a faster rate than formula grant, the nature of the funding is such that many grants may be paid only to selected, and not all, authorities.

44. For our purposes locally, so long as we plan to make savings, it doesn't matter whether the Government cuts affect RSG/NNDR or specific grant. What matters is the total amount by which Government funding is cut, and how much that affects us in Shropshire. Providing that we plan for making savings we will be in a better position to cope when we see how the actual cuts are implemented.

Formula Grant Proposals

45. Four grant allocation working groups – one for education, one for fire, one for police and one other local government services - are currently reviewing proposals for changes to the grant distribution/funding formulae.
46. Although no fundamental changes appear likely, there will be changes to the formulae and so to shares of grant. Shire areas – excluding districts - fared relatively well in the current spending review period. The trend of moving money out of London may continue or may be replaced by a relatively flat distribution – akin to that followed for schools.
47. It is possible that the tight fiscal conditions will accelerate the trend to flat rate increases i.e. equalisation will be squeezed out in the interests of stability (this would benefit Shropshire's funding relative to other authorities).

Potentially More Radical Options

48. A six-year or longer squeeze on spending will require more than minor cutbacks and token efficiency savings. It is clear that authorities will have to be innovative if they are to protect core services in the face of increasing cuts in expenditure and funding. Potentially more radical options that are being put forward for consideration include:
- A fundamental review of which services local authorities continue to provide and which will have to stop. It could be said that the Government's long-awaited social care green paper *Shaping The Future Of Care Together* is the first test of how radical proposals are set to be. The green paper, published in July 2009, has a fully national funding system as one of the options outlined in the paper. This would remove council control over how much money is allocated to particular residents to cover needs assessed under new universal criteria. While the green paper admits there are arguments in favour of leaving councils to decide how much money should be spent on delivering agreed levels of care, it says that uniform national entitlements are seen as fairer.
 - In July 2009, the Audit Commission's chief executive Steve Bundred raised the issue of a standstill in the wages of Britain's six million public sector workers. The Chancellor was interviewed about Mr Bundred's comments and said public sector pay policy would be decided in the coming weeks. If pay is frozen, Government could then reduce grant while, at the same time, expecting increases in services by virtue of efficiency savings.

- Councils are likely to face pressure to top up their income by a more aggressive use of fees and charges. The Government will also need to address the question of where co-payments might be introduced for provision where there is currently no charge.
 - A significant increase in outsourcing – going as far as authorities retaining only a small central hub in some cases. This was given a major push by the pre-Budget Operational Efficiency Programme report for those authorities that have not already taken this route.
 - Shared services and/or formal partnerships are another option - in effect, this would be a softer version of outsourcing or a means of using financial pressures to drive more new unitary Council proposals.
49. With the exception of the wage freeze, all of the above – to a greater or lesser degree – will lead to less direct provision of services by authorities, unless for a fee.

Conclusion On Prospects For 2010 And Beyond

50. There is still a possibility that the 2010-11 settlement could be reopened. This would probably lead to cuts in spending for all but education in local government. The scale of the spending cuts could be linked to planned efficiency savings and/or grant increases could be tied to inflation.
51. Irrespective of what happens following the general election, authorities will need to find efficiency savings in 2010-11, with significantly higher savings likely to be required for the following three years. There is now a greater likelihood that such savings will influence spending plans – as opposed to merely being retained by authorities.
52. As far as the two spending review periods from 2011-12 are concerned, the latest thinking is for a 16% cut in expenditure over the six years - an average of around 2.8% a year. Further, the reductions are expected to be greater in the first three years – over 3% a year or 10% across the period.
53. Depending on what happens in the next 9 months, even the 10% could prove to be optimistic – we have already seen forecasts revised upwards almost every quarter for the last 9 months.
54. As far as grant is concerned, equalisation is increasingly being squeezed out to achieve stability. The best local government could hope for would be annual increases pegged to inflation, with damped grant increases tapering off to –0.5 to 0 per cent for many authorities. Even this might be optimistic if a pay freeze is instituted and linked to spending and grant requirements.
55. A further complication could be the extent to which the emphasis continues to be on specific grant funding being favoured over general grant.
56. The above projections are also likely to be heavily influenced by decisions taken on whether or not authorities should continue to provide all of the

services they currently do. The recent green paper on social care could be the first test of how radical proposals are set to be. One of the options in the paper is for a fully national funding system, which would remove council control over how much money is allocated to particular residents. If sufficient services are removed from local authority control, this could leave purely local services to be funded from council tax – with capping retained. Authorities would then be left to determine how to provide services to previous levels, as central government would have no funding involvement – unless through specific grant.

57. Across the board, there is also likely to be an increased emphasis on charging for services/co-payments and on partnership/joint working, with a longer term move to area/joint funding.
58. Shropshire Council may be in a better position than many as it stands to make efficiency savings from the move to unitary status. Ignoring these for the moment, the council would be wise to budget for spending cuts in future years. Our present assumption is that 2011/12 (first year of the next CSR) will see a £4m cut in government grant. This equates to around 4% of RSG/NNDR or about 2% of RSG/NNDR and Specific Grant (excluding Dedicated Schools Grant).

Consultation

59. Consultation with the public is proposed to take place through the following routes:
 - through Joint Local Committees
 - through a series of meetings involving service users and stakeholders, including Taking Part
 - through the use of a web-based consultation

The outcomes from consultation will provide feedback to Cabinet and full council as to local people's views on service delivery, Council Tax increases, savings proposals and areas for service improvement. The PCT has contacted the Council and may wish to join in with the budget consultation.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Medium Term Financial Plan 2010/11 – 2014/15 And Revenue Budget 2010/11

Service Plans

Shropshire Council Corporate Plan

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

Environmental Appraisal

The eventual outcome of the budget will have an impact on the resources available for sustainable development.

Risk Management Appraisal

The 2010/11 budget and MTFP set out a range of service pressures and service developments facing the Council in the coming years. These therefore help to identify areas where additional resources are required and help with medium term service planning and decision making. The MTFP is a useful tool in helping us to identify potential areas of risk sufficiently far in advance to take pre-emptive action.

Community / Consultations Appraisal

N/A

Cabinet Member

Keith Barrow, Leader of the Council

Local Member

N/A

Appendices

Appendix A – Budget Build Up 2010/11

Appendix B – Resource Projections 2010/11 – 2014/15

Appendix C – Medium Term Financial Plan 2010/11 – 2014/15

Appendix D – Savings Proposals 2010/11

BUDGET STRATEGY 2010/11 - BASE BUDGET BUILD UP

	2009/10 £'000	2010/11 £'000	Notes
Base Budget	356,226	362,749	
Pay Increases-			
Schools included in DSG increase	2,816	2,778	Teachers pay increases in line with DSG assumptions
Central included in DSG increase	428	428	Pay increases in line with DSG assumptions
Corporate	2,400	695	0.6% estimated increase for 2010/11 (2009/10 1.9%)
Total Pay	<u>5,644</u>	<u>3,901</u>	
Increased Pension Costs			
Schools-included in DSG increase	195	201	1.1% increase for 2010/11
Corporate	769	1,265	1.1% known increase for 2010/11 (1.1% in 2009/10)
Total	<u>964</u>	<u>1,466</u>	
Price Increases			
Schools Included in DSG increase	758	747	DSG price increases at 2.70% in 2009/10
Central included in DSG increase	115	115	DSG price increases at 2.70% in 2009/10
Corporate	2,520	1,068	Price increases at 1.0% in 2010/11 (2.25% in 2009/10)
Total	<u>3,393</u>	<u>1,930</u>	
Other DSG Changes			
Revised DSG based on actual Jan 09 pupils	0	173	
Ministerial Priorities - actual cash allocations	1,059	1,928	
<u>Minimum Funding Guarantee (M.F.G.)</u>			
Inflation reductions in line with MFG at 2.1%	(1,287)	(1,047)	
MFG top up (reduction from 2009/10)	(51)	(125)	
Pupil number reductions - effect on schools' funding formula	(985)	(1,007)	
<u>Other required formula funding variations:</u>			
Special school places	505	66	
Other formula adjustments	0	(73)	
Other priorities to be met from headroom	0	384	
Amalgamations/Childs Erccall	-421	(198)	
	<u>-1,180</u>	<u>101</u>	
Contribution to/(from) Balances - One off	-3,220	3,220	
Contribution from Balances - Ongoing	-520		
Adjustment to internal recharges (HRA)	-600		
Debt Charges	1,611	3,215	
	<u>-2,729</u>	<u>6,435</u>	
Net Budget Before Growth and Savings	<u>362,318</u>	<u>376,582</u>	

BUDGET STRATEGY 2010/11 - BASE BUDGET BUILD UP

	2009/10 £'000	2010/11 £'000	Notes
Balance B/F	362,318	376,419	
Growth			
Contribution to Town Council	415		
Local Joint Committees	530		
Concessionary Fares	970		
Looked after children	525		
Community Regeneration	50		
Under 18 & Older People Swimming	64		
Equalisation of fees	-13		
Parkright	258		
Street Cleansing	554		
Local Leisure & Sports	168		
Out of Hours Emergency Service	50		
Growth for direct staffing service equalisation	2,105		
Waste PFI Growth - contract revision	365		
Second Homes Council tax - commitments from Districts	200		
Job Evaluation	296		
Discovery Centre Rates	60		
Theatre Severn Rates	94		
Innage Lane loss of rental income	180		
Town Council Corporate	186		
Ptarmigan Costs	226		
Removal of Recharges to Capital made by Districts	516		
Income reduction due to market forces	1,507		
Area Headquarter Admin	220		
	<u>9,526</u>	<u>0</u>	
Savings			
List One	(1,153)	(4,098)	
Reinvested into service areas	1,153	(3,037)	
List Two			
Support Service Staff	(6,511)		
Additional Staffing Savings	(367)		
Members Allowances and Elections	(550)		
I.T.	(647)		
Contract savings	(93)		
Insurance savings	(613)		
Other savings identified	(1,807)		
Audit Commission Fees	(217)		
	<u>(10,805)</u>	<u>(7,135)</u>	
Removal of District Reliance on Balances	1,710	0	
Net Budget after Growth and Savings	362,749	369,447	
DSG	146,999	151,369	
Non Schools Budget	215,750	218,078	

RESOURCE PROJECTIONS

Resources Available 2010/11 Budget

Minimum and Maximum Increases of 0% and 3.5% for 2010/11 and 2011/12, and 3.5% thereafter

	2009/10 Estimates	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£	£
RSG/NNDR	90,144,503	91,487,539	87,862,539	87,862,539	87,862,539	87,862,539
DSG	146,999,000	151,369,092	151,369,092	151,369,092	151,369,092	151,369,092
<u>Council Tax</u>						
Tax Base 2009/10	106,997.62	106,998	106,998	106,998	106,998	106,998
Council Tax (assuming minimum and maximum increases of 0% and 3.5% for 2010/11 and 2011/12, and 3.5% thereafter)	124,697,410	126,190,231	129,320,397	133,498,791	138,171,377	143,007,669
Collection Fund Surplus	907,650	400,000	400,000	400,000	400,000	400,000
Total Available	362,748,563	369,446,862	368,952,028	373,130,422	377,803,008	382,639,300
Total Available-£'000s	362,749	369,447	368,952	373,130	377,803	382,639
Total Excluding DSG	215,749,563	218,077,770	217,582,936	221,761,330	226,433,916	231,270,208

MTFP 2010/11 TO 2014/15 - BUDGET BUILD UP

	2009/10 Decisions agreed £'000	2010/11 £'000	2011/12 £'000	2012/13 5 year plan £'000	2013/14 £'000	2014/15 £'000	Assumptions
Base Budget	356,226	362,749	369,447	368,952	373,130	377,803	
Pay Increases-							
Schools included in DSG increase	2,816	2,778	9,314	9,501	9,691	9,884	
Central included in DSG increase	428	428	1,436	1,465	1,494	1,524	
Corporate	2,400	695	2,331	2,377	2,425	2,473	2.0% assumed for each year
Total Pay	5,644	3,901	13,081	13,343	13,609	13,882	
Increased Pension Costs							
Schools-included in DSG increase	195	201	204	207	210	213	Employers contribution up to 15.3%
Corporate	769	1,265	1,438	1,467	1,496	1,526	for 2009/10, then a further 1.5% increase
Total	964	1,467	1,642	1,674	1,706	1,739	for each year
Price Increases							
Schools Included in DSG increase	758	747	762	777	793	809	Price Increases at 2.0% per year.
Central included in DSG increase	115	115	118	120	122	125	
Corporate	2,520	1,068	2,236	2,281	2,326	2,373	
Total	3,393	1,930	3,116	3,178	3,242	3,306	
Other DSG Changes							
Revised DSG based on actual Jan 09 pupils	0	173					
Ministerial Priorities - actual cash allocations	1,059	1,928	0	0	0	0	
Minimum Funding Guarantee (M.F.G.)							
Inflation reductions in line with MFG at 2.1%	(1,287)	(1,047)	(10,280)	(10,485)	(10,694)	(10,906)	
MFG top up (reduction from 2008/09)	(51)	(125)					
Pupil number reductions - effect on schools' funding formula	(985)	(1,007)					
Other required formula funding variations:							
Special school places	505	66					
		(73)					
		384					
Amalgamations/Childs Erccall	(421)	(198)					
	(1,180)	101	(10,280)	(10,485)	(10,694)	(10,906)	
C/Fwd	365,047	370,147	377,005	376,661	380,994	385,823	

MTFP 2010/11 TO 2014/15 - BUDGET BUILD UP

	2009/10 Decisions agreed £'000	2010/11 £'000	2011/12 £'000	2012/13 5 year plan £'000	2013/14 £'000	2014/15 £'000	Assumptions
B/Fwd	365,047	370,147	377,005	376,661	380,994	385,823	
Contribution to/(from) Balances - One off	(3,220)	3,220	0	0	0	0	
Contribution from Balances - Ongoing	(520)						
Adjustment to internal recharges (HRA)	(600)						
Debt Charges	1,611	3,214	2,600	2,600	2,600	2,600	
Budget before Growth and Savings	362,318	376,581	379,605	379,261	383,594	388,423	
Growth							
Contribution to Town Council	415						
Local Joint Committees	530						
Concessionary Fares	970						
Looked after children	525						
Community Regeneration	50						
Under 18 & Older People Swimming	64						
Equalisation of fees	(13)						
Parkright	258						
Street Cleansing	554						
Local Leisure & Sports	168						
Out of Hours Emergency Service	50						
Growth for direct staffing service equalisation	2,105						
Waste PFI Growth - contract revision	365						
Second Homes Council tax - commitments from Districts	200						
Job Evaluation	296						
Discovery Centre Rates	60						
Theatre Severn Rates	94						
Innage Lane loss of rental income	180						
Town Council Corporate	186						
Ptarmigan Costs	226						
Removal of Recharges to Capital made by Districts	516						
Income reduction due to market forces	1,507						
Area Headquarter Admin	220						
	9,526	0	0	0	0	0	
C/Fwd	371,844	376,581	379,605	379,261	383,594	388,423	

MTFP 2010/11 TO 2014/15 - BUDGET BUILD UP

	2009/10 Decisions agreed £'000	2010/11 £'000	2011/12 £'000	2012/13 5 year plan £'000	2013/14 £'000	2014/15 £'000	Assumptions
B/Fwd	371,844	376,581	379,605	379,261	383,594	388,423	
Savings :		(7,134)	(10,653)	(6,131)	(5,791)	(5,784)	
Support Service Staff	(6,511)						
Additional Staffing Savings	(367)						
Members Allowances and Elections	(550)						
I.T.	(647)						
Contract savings	(93)						
Insurance savings	(613)						
Other savings identified	(1,807)						
Audit Commission Fees	(217)						
	<u>(10,805)</u>	<u>(7,134)</u>	<u>(10,653)</u>	<u>(6,131)</u>	<u>(5,791)</u>	<u>(5,784)</u>	
Removal of District Reliance on Balances	1,710	0	0	0	0	0	
Net Budget Requirement	<u>362,749</u>	<u>369,447</u>	<u>368,952</u>	<u>373,130</u>	<u>377,803</u>	<u>382,639</u>	

2010/11 Savings Targets and Proposals

	CYPD	Community Services	Development Services	Resources, CEX and L&DS	Total
	£'000	£'000	£'000	£'000	£'000
Savings Targets					
Service Transformation	0	1,402	1,798	0	3,200
General Savings	348	1,699	1,183	705	3,935
Total	348	3,101	2,981	705	7,135
Savings Proposals					
List One	348	2,132	1,082	536	4,098
List Two	0	969	1,899	169	3,037
Sub Total	348	3,101	2,981	705	7,135
Corporate Savings (Area Partnerships)	0	0	0	480	480
Total	348	3,101	2,981	1,185	7,615

Children & Young People's Services
Draft Savings Proposals 2010/11 – List One: Achievable Savings with no service implications

These draft savings proposals can be achieved with no major service delivery or compulsory redundancy implications.

Policy Area (4 aims)	Service Cut	Saving (£)	Implications
<p><u>LOCAL AUTHORITY BUDGET</u></p> <p>2. To give children and young people the best opportunities today and for the future</p>			
	<p>Directorate Management and Administration:</p> <p>1. Schools' Service Level Agreements – increase charges by 2.5% in excess of pay inflation</p> <p>2. Apply grant funding to base budget activity across the directorate</p>	<p>20,000</p> <p>202,000</p>	<p>Additional costs to schools; potential customer resistance leading to capacity issues for schools' support services</p> <p>Limits enhanced activity available from the use of Area Based Grant funding</p>

Policy Area (4 aims)	Service Cut	Saving (£)	Implications
	<p>Schools related expenditure budgets:</p> <p>3. Delete contingency budget provision to cover Joint Use arrangements in respect of the shared use of school facilities out of school hours</p>	£38,000	No flexibility to respond to one-off contingencies or requests for additional financial support
	<p>Raising Achievement and Inclusion:</p> <p>4. Advisory Service – increased income from fees and charges to secure self financing of the Publications, Design and Webpage Unit</p>	18,000	Increased charges to users to achieve full cost recovery

Policy Area (4 aims)	Service Cut	Saving (£)	Implications
<p><u>SOCIAL CARE & SAFEGUARDS</u></p> <p>2. To give children and young people the best opportunities today and for the future</p>			
	5. Delete the residual general service contingency budget	70,000	Inability to respond to one-off expenditure pressures, leading to risk of overspending base budget
Total of List One Savings for Children & Young People's Services		348,000	

Community Services
Budget & Transformation Savings Proposals 2010/11 –
List One: Achievable Savings with No Service Implications

Policy Area (5 aims)	Impact	Saving (£)	Implications
Culture & Leisure Use resources we have responsibly	Energy savings (as part of carbon management scheme)	150,000	As part of the Local Authority Carbon Management Scheme, it should be possible to make significant savings to energy consumption across ALL leisure centres and other facilities. (This represents an 18% reduction of the total energy budget) It is likely a sum of money will be required to facilitate these savings which are currently being explored with Property Services
Culture & Leisure Use resources we have responsibly	Reduction in costs of Non domestic rates costs at Theatre Severn	62,000	The rateable value has now been determined and is lower than anticipated.
Culture & Leisure 2.9 Promote opportunities for residents to lead active lives and enjoy their free time through a range of activities	Increased income at Theatre Severn	263,000	Income performance at the theatre has exceeded business case forecast for this year. Based on our projections for 2010/11 we consider this to be an achievable target.
Culture & Leisure 2.9 Promote opportunities for residents to lead active lives and enjoy their free time through a range of activities	Increased income through the provision of a passport for leisure available to carers.	40,000	400 Cultural passports will be purchased and be made available for carers to enable free or reduced entry to cultural and leisure services. This will benefit carers and increase visitor numbers.

Policy Area (5 aims)	Impact	Saving (£)	Implications
Housing Revenue Account Use resources we have responsibly	Responsive Repairs	260,000	The Council is embarking on an extensive programme of Capital Works to improve the quality of the housing stock and achieve Decent Homes Standard. It is anticipated that this investment will generate future revenue savings by a reduction in level of responsive repairs, balanced by an increase in planned repairs which are more cost efficient.
Housing Revenue Account Use resources we have responsibly	Salaries related to Capital work	210,000	Salary costs of the Asset Management Team are currently charged to the Housing Revenue Account. A significant proportion of their work relates to managing Capital Works in the Planned Repairs Programme and can legitimately be capitalised.
Housing Revenue Account Use resources we have responsibly	Reduction in negative subsidy payable to Department of Communities and Local Government (DCLG)	130,000	Changes to the method determining the 2010/11 Guideline Rent Figure will result in a saving in the amount of net negative subsidy payable to DCLG.
Adult Social Care 2.7 Increase Choice & Control for vulnerable people	Negotiate further block contracts	100,000	Block contracts allow us to negotiate a fixed price for a set number of beds. But we need to ensure that block contracts are fully utilised to avoid paying for vacant places.
Adult Social Care 2.6 Support Older & Vulnerable people to live independently and safely	Assist more clients to live independently	150,000	We need to ensure that clients are helped to remain as independent as possible within their own homes and community. It is generally more cost effective for the council if service users remain as independent as possible. The market needs to be managed to ensure cross county coverage of services to enable people to remain at home.

Policy Area (5 aims)	Impact	Saving (£)	Implications
			Examples of services that can help clients remain at home are homecare, outreach services, direct payments, adaptations and equipment. This involves a co-ordinated approach with Housing and working closely with voluntary organisations and providers.
Adult Social Care 2.8 Maximise vulnerable and older people's income and increase take up of benefits	Increased contributions for High Band nursing care from the PCT	160,000	Following the change in Continuing health care rules clients who were previously assessed as high band nursing may now be reassessed as fully funded by the NHS through continuing health care.
Adult Social Care 2.6 Support Older & Vulnerable people to live independently and safely	<ul style="list-style-type: none"> • Increase the charge for frozen Meals on Wheels from £2.75 to £2.85 and hot meals from £2.75 to £3.00. • Increase return journey for day care from £2.40 to £2.50 per day 	15,000	Currently service users pay the same price for a hot meal as they do for a frozen meal. However the subsidy from the local authority for a hot meal is on average £1.60 despite this being a discretionary service. Over the next 3 years we are looking to reflect the cost of the meals in the price charged.
Adult Social Care 2.6 Support Older & Vulnerable people to live independently and safely	All LA's are required to have in place a Fairer Charging Policy. We plan to increase the notional cost of home care applied in the assessment calculation. (An individual's contribution is based on an income assessment using this calculation)	60,000	Clients will still be assessed in line with the fairer charging policy and will only be charged what they are assessed to be able to afford. Currently a service users contribution is based on a proxy hourly rate of £11.12 for home care. However, the actual hourly rate charged by providers is higher. Over the next 3 years we will be bringing the proxy hourly rate up to the actual average hourly rate paid. This is currently projected to be for 2010/11 £12.00, 2011/12 £13.00, 2012/13 £14.00.

Policy Area (5 aims)	Impact	Saving (£)	Implications
Culture & Leisure 2.9 Promote opportunities for residents to lead active lives and enjoy their free time through a range of activities	Increase in the income from Leisure Centres and Swimming Pools	310,000	The saving will be generated by equalising current charges, increases in charges where the market allows and increasing footfall and introducing a new membership scheme. £310,000 equates to 7% of the current leisure income budget. However a downturn in activity could affect overall income levels.
Culture & Leisure Use resources we have responsibly	Remove Senior Officer post and replace with lower graded post within LETs	3,000	The current post holder is leaving and the post is no longer required at the same grade.
Culture & Leisure Use resources we have responsibly	Reduction in LETs office costs	8,000	This includes a number of small value budgets as well as some training resources. The saving may limit the type of scope of resources used across training sessions.
Culture & Leisure 2.9 Promote opportunities for residents to lead active lives and enjoy their free time through a range of activities	Increased Income at Acton Scott	8,000	Activity has increased at Acton Scott and it is predicted that additional income can be achieved on an ongoing basis. This takes into account that initial interest in Acton Scott since the TV programme will reduce over time.
Culture & Leisure Use resources we have responsibly	Increase charges for rights of way diversion orders	5,000	When developers need to close a right of way for works we make a charge for this service. The new charge will reflect costs.

Policy Area (5 aims)	Impact	Saving (£)	Implications
Culture & Leisure 2.9 Promote opportunities for residents to lead active lives and enjoy their free time through a range of activities	Theatre Equipment, Marketing, Technical & Programme Budgets	25,000	This saving represents approximately 2% of the marketing, equipment, technical and programme budget.
Culture & Leisure 2.9 Promote opportunities for residents to lead active lives and enjoy their free time through a range of activities	Reduction in Museums marketing & equipment budget.	9,000	More creative joint marketing and reduced placement of equipment should result in this saving being achieved.
Culture & Leisure Use resources we have responsibly	Savings in central administrative and equipment budgets in Library service	12,000	This is made up of a number of back office expenses within the library service where savings can be made.
Business Strategy & Support Use resources we have responsibly	Reduction in Contracts team office costs.	11,000	Following the move to new accommodation some back office savings can be made.
Business Strategy & Support Use resources we have responsibly	Performance Team recharge admin costs of Local Involvement Network (Link) work	5,000	The performance team currently carry out administrative work for the Local Involvement Network. We are now proposing to charge for this work as allowed through the Government directive for administering Local Involvement Networks (called CINCH in Shropshire).

Policy Area (5 aims)	Impact	Saving (£)	Implications
Business Strategy & Support Use resources we have responsibly	Reduction in Performance Team printing & stationary budget	5,000	Following the move to new accommodation some back office savings can be made.
Business Strategy & Support Use resources we have responsibly	Restructure Performance Team	20,000	The Performance team will be restructured to meet current demands. There is a vacant post that will be changed and will result in this saving.
Business Strategy & Support Use resources we have responsibly	Reduce Social Enterprise Marketing & Publicity	3,000	There is currently a budget of £6,250 for marketing & publicity. It is felt that this value is not required going forward.
Business Strategy & Support Use resources we have responsibly	Information Systems remove vacant post and reduce office costs	17,000	A post has remained vacant for some time now and work has been redistributed which means that post is no longer required. Also following the move to new accommodation some back office savings can be made.
Business Strategy & Support Use resources we have responsibly	Reduce St Michael's Cleaning Budget and postages	6,000	St Michael's (Shrewsbury) is largely vacant now following the move to new premises. The cleaning contract has been reduced and therefore the budget is offered as a saving. However if another team move in here in the short term, contract cleaning may increase.
Business Strategy & Support Use resources we have responsibly	Remove development budget at Abbots Wood, Louise House, Helena Lane, Four Rivers	7,000	This budget was used when the PFI premises were initially set up to capture any unforeseen needs. This is no longer required and the full development budget has been offered as a saving.

Policy Area (5 aims)	Impact	Saving (£)	Implications
Business Strategy & Support Use resources we have responsibly	Reduce Printing & Stationary Budget Business support management	8,000	Increased use of electronic methods of storage and reduced printing means that the printing and stationary budget can be reduced.
Business Strategy & Support Use resources we have responsibly	Housing Finance Team restructure	30,000	The current housing finance structure can be reconfigured. There is a post that has remained vacant and will now be removed from the structure.
Adult Social Care Use resources we have responsibly	Reduce Accommodation	40,000	We have opportunities to consolidate teams and reduce rental costs by moving into other existing buildings.
Total List One Budget and Transformation Savings 2010/11		2,132,000	

Community Services
Budget & Transformation Savings Proposals 2010/11 –
List Two: Achievable Savings with Service Implications

Policy Area (5 aims)	Impact	Saving (£)	Implications
Culture & Leisure Use resources we have responsibly	Review of the Leisure services operation	238,000	These are anticipated efficiencies as part of the review of day to day operations across leisure services
Culture & Leisure 2.9 Promote opportunities for residents to lead active lives and enjoy their free time through a range of activities	Review of joint use operations to improve efficiencies	69,000	Savings to be achieved by using existing facilities more effectively to maximise usage.
Adult Social Care 2.7 Increase Choice & Control for vulnerable people	The current day care provision is being reviewed to make the maximum use of available facilities	180,000	The current internal and external day care provision will be reviewed. The review will ensure the maximisation and use of available places and the reduction of void places. With the implementation of individual budgets national evidence shows a reduction in people choosing traditional services such as these currently provided. There will therefore need to be a planned consolidation of services as demand and usage patterns change. As part of this process client needs will be reassessed in line with fair access to care (FACs) to support changes and to ensure their needs are appropriately met.

Policy Area (5 aims)	Impact	Saving (£)	Implications
Adult Social Care 2.7 Increase Choice & Control for vulnerable people	Review Meals on Wheels Procurement and Provision	200,000	£150,000 will be achieved through renegotiation of contracts with providers. A further £50,000 will be achieved through properly targeting the service to ensure people have been assessed and provided with appropriate services that meet their eligible needs.
Adult Social Care Use resources we have responsibly	Restructure Adult Social Care staffing	195,000	Based on the current and future needs of the service we consider it is possible to restructure adult social care management and as a result reduce ongoing costs. There may be associated redundancy costs.
Culture & Leisure Use resources we have responsibly	Review of car parking charges at Countryside sites & parks	10,000	Currently we charge 40p to park at Ellesmere Lake. We are proposing to increase this charge to £1 and to introduce £1 parking charge at Severn Valley. This should generate approx £20,000 however the first year of saving will be offset by the need to purchase charging machines.
Culture & Leisure Use resources we have responsibly	Reduction in Library Service computer replacement and upgrade budget.	10,000	This represents 30% of the computer replacement budget within library services. This saving would mean that we replaced computers less often.
Housing 2.5 Improve the housing delivery for which Shropshire Council has direct responsibility	Lean review of Repairs & Maintenance	67,000	Dependent on outcome of lean review due to take place in September.
Total List Two Budget and Transformation Savings 2010/11		969,000	

Development Services Directorate

Savings Proposals 2010/11 - List ONE: Achievable Savings with Service Implications

NB. These savings proposals can be achieved with no major service delivery or compulsory redundancy implications.

Policy Area	Service Cut	Saving (£)	Implications
	<u>Strategic Planning and Transport</u> Staffing Savings	391,000	A restructure within the directorate will deliver efficiency savings across the following areas: Strategy and Policy, Development Management, Strategic Highways and Traffic, Transportation, Passenger Transport and Strategy and Business Support. Work will be undertaken over the autumn to identify areas for appropriate efficiency savings although at this stage it is envisaged that 10 posts (currently held vacant) can be deleted from the establishment without major service implications.
	Contract Amendments	40,000	A review of subsidies provided to bus operators for a number of bus routes has delivered on-going savings.
	Operational Efficiencies	350,000	The concessionary fares budget for 2009/10 included growth of £970,000 for a number of service enhancements. Estimates made at the time have not been borne out by expected growth in the sector and unused budget can be taken as a saving.
		12,000	Those routes with a passenger subsidy of slightly over £4 per passenger would be capped at £4 to achieve this saving.
	<u>Housing</u> Staffing Savings	22,000	A restructure within the directorate will deliver efficiency savings across, amongst other areas, the Strategy and Policy Division. Work will be undertaken over the autumn to identify areas for appropriate efficiency savings although it is envisaged that 1 post within the Housing Enabling and Implementation Team (currently held vacant) can be deleted from the establishment without major service implications.

	<p><u>Local Environment and Economy</u> Staffing Savings</p> <p>Income</p>	<p>142,000</p> <p>35,000</p> <p>90,000</p>	<p>A restructure within the directorate will deliver efficiency savings across the following areas: Area Public Protection, County Public Protection, Waste Management, Economic Development, Environmental Maintenance and Technical Services. Work will be undertaken over the autumn to identify areas for appropriate efficiency savings although at this stage it is envisaged that 4 posts (currently held vacant) can be deleted from the establishment without major service implications.</p> <p>Taxi License fees were equalised to the lowest level in 2009/10. This represents a low percentage increase across the county, with some levels still remaining below 2008/09 levels.</p> <p>Higher than anticipated activity Crematorium, with a minimal increase in charges (based principally on gas price inflation) will generate increased income.</p>
Total List One Savings		1,082,000	

Development Services Directorate

Savings Proposals 2010/11 – List Two: Achievable Savings with Service Implications

NB. These savings proposals are achievable but have significant service delivery implications, redundancy implications, implications for partner organisations or other matters of concern.

Policy Area	Service Cut	Saving (£)	Implications
	<u>Strategic Planning and Transport Staffing Savings</u>	462,000	Further savings within: Strategy and Policy, Development Management, Strategic Highways and Traffic, Transportation, Passenger Transport and Strategy and Business Support. Work will be undertaken over the autumn to identify areas for this activity which will be in addition to that shown in List One. This will seek to ensure minimal implications for the long term delivery of services but cannot be guaranteed until the review is completed.
	Income	34,000	Bus fares on commercial routes and 'minimum cost' subsidised routes are increased annually. There has been no set policy for the increase of fares on 'minimum subsidy' routes (where fare income is retained by the council) and thus fares have fallen behind those on commercially operated routes. The minimum fare would increase from 55p to 70p, and all other fares that are below commercial levels would increase by a maximum of 10%. Fares already in line with commercial fares will increase at the same rate as commercial fares.
		412,000	Parking charges for on and off street parking would be increased in the first step in the introduction of a new Shropshire Parking Strategy. The majority of charges would be for 10p or 20p (e.g. 40p increased to 50p). The largest single increases proposed are 50p and 60p which relate to all day charges (e.g. £1.40 to £2, in line with the 2 hour increase from 70p to £1).

Development Services Directorate

Savings Proposals 2008/09 – List Two: Achievable Savings with Service Implications

NB. These savings proposals are achievable but have significant service delivery implications, redundancy implications, implications for partner organisations or other matters of concern.

Policy Area	Service Cut	Saving (£)	Implications
	Optional Efficiencies	65,000	Shrewsbury Park and Ride Fares were last increased from £1.00 to £1.20 on 1 April 2008. This would represent an increase to £1.40, and would be the first for two years.
		98,000	The original maintenance agreements for Real Time Passenger Information throughout Shropshire were included within the initial contracts and covered 5 years. This saving would remove the RTPI from all bus stops.
		58,000	A review of bus contracts withdrawing subsidy from any routes costing in excess of £4 per passenger.
	<u>Local Environment and Economy</u> Staffing Savings	305,000	Further savings within: Area Public Protection, County Public Protection, Waste Management, Economic Development, Environmental Maintenance and Technical Services. Work will be undertaken over the autumn to identify areas for this activity which will be in addition to that shown in List One. This will seek to ensure minimal implications for the long term delivery of services but cannot be guaranteed until the review is completed.
	Grants	58,000	Reduce grants payable to voluntary bodies from the Economic Development Budget.

Development Services Directorate

Savings Proposals 2010/11 - List TWO: Achievable Savings with Service Implications

NB. These savings proposals are achievable but have significant service delivery implications, redundancy implications, implications for partner organisations or other matters of concern.

Policy Area	Service Cut	Saving (£)	Implications
	Contract Amendments	50,000	The Waste Service would cease free commercial food waste collections and implement alternate weekly food waste collections in south Shropshire in line with the rest of the county.
	Operational Efficiencies	357,000	Further savings within: Street Cleansing, Grounds Maintenance, Winter Maintenance, Parking Cash Collection, Shropshire Parking Service, and Vehicles, Plant and Equipment. The service reviews will look to ensure appropriate services are provided across the county and within this seek to make operational efficiencies. At this stage, it is not possible to guarantee that this can be met without some service implications.
Total List 2 Savings		1,899,000	
Total savings for Development Services		2,981,000	

Resources

Savings Proposals 2010/11 - List One: Achievable Savings with Service Implications

NB. These savings proposals can be achieved with no major service delivery or compulsory redundancy implications.

Policy Area (5 aims)	Impact	Saving (£)	Implications
1. We will work with others to deliver joined up, affordable, accessible and quality services	Deletion of vacant post within Audit & Consultancy	30,000	
	Cease contracts for inherited photocopiers, printers and scanners and replace with networked multifunctional devices	65,000	No services implications, roll out across the Council will also create more savings for future years.
	Reduction of budget for Risk Management Initiatives	20,000	No service implications – reduced opportunity for investing in risk reduction measures.
	Development of internal search engine to replace externally provided engine	12,000	No service implications.
	Reduction in budget for stationery and administration	50,000	No service implications.
	Savings from inflation allocation	67,000	No service implications.
List 1 Recommended Savings to achieve target for Resources		244,000	

Resources

Savings Proposals 2010/11 - List Two: Achievable Savings with Service Implications

NB. These savings proposals are achievable but have significant service delivery implications, redundancy implications, implications for partner organisations or other matters of concern.

Policy Area (5 aims)	Impact	Saving (£)	Implications
1. We will work with others to deliver joined up, affordable, accessible and quality services	Reduction in staffing costs within Exchequer Services	95,000	Reduction in posts in Exchequer Services with some associated VER costs.
	Reduction in staffing costs within IT Services	50,000	Reduction in posts in IT Services with some associated VER costs.
	Reduction in staffing costs within Property Services	24,000	Incorporate an existing property post into the new Community Services contract providing “handyman” services for older people. TUPE implication but no job loss.
List 2 Recommended Savings to achieve target for Resources		169,000	

Chief Executive's Office
Savings Proposals 2010/11 - List One: Achievable Savings with no Service Implications

NB. These savings proposals can be achieved with no major service delivery or compulsory redundancy implications.

Policy Area (5 aims)	Impact	Saving (£)	Implications
1. We will work with others to deliver joined up, affordable, accessible and quality services	Reduction in capacity building budget within Community Working	50,000	No significant service implications
	Reduction in Corporate Development Fund budget	67,500	Substantially reduced budget available for one-off discretionary areas, e.g. customer satisfaction surveys
	Deletion of vacant posts within Shropshire Partnership team	50,000	Reduced capacity to undertake research on drug and alcohol misuse. Reliance on PCT to undertake this role
	Reduction in organisational development budgets: corporate training, member development, Springboard/Insight, Insight and MAP	41,500	Reductions in line with actual spend and availability of funding through RIEP
	Savings within Customer Access	30,000	Service implications to be determined through review
List 1 Recommended Savings to achieve target for Chief Executive's Office		239,000	

Legal & Democratic Services
Savings Proposals 2010/11 - List One: Achievable Savings with no Service Implications

NB. These savings proposals can be achieved with no major service delivery or compulsory redundancy implications.

Policy Area (5 aims)	Impact	Saving (£)	Implications
1. We will work with others to deliver joined up, affordable, accessible and quality services	Deletion of vacant post within Legal Services	53,000	No service implications.
List 1 Recommended Savings to achieve target for Legal & Democratic Services		53,000	

Corporate Savings
Savings Proposals 2010/11 - List One: Achievable Savings with Service Implications

Policy Area (5 aims)	Impact	Saving (£)	Implications
1. We will work with others to deliver joined up, affordable, accessible and quality services	Deletion of Area Partnerships budget for area based initiatives.	480,000	This budget was created as a growth budget for 2009/10 for the new Council so as to provide a source of funding for initiatives promoted by the Area Partnerships. This budget is over and above the £1.1m for the Local Joint Committees and the £0.5m capital funding managed by Community Services to help with village hall improvements and similar schemes.
List 1 Recommended Savings to achieve target for Corporate		480,000	