

ABERDEEN CITY COUNCIL

COMMITTEE: Council
DATE: 11 February 2010
REPORT BY: City Chamberlain
TITLE OF REPORT: Financial Strategy - Revenue Budget 2010/11 Update
REPORT NUMBER: CG/10/035

1. PURPOSE OF REPORT

1.1. The purpose of this report is to:

- a) Ensure the Council sets a balanced budget for the financial year 2010/11; and
- b) Inform members on the updated projected base budget position for 2010/11 taking account of decisions at Council on 16 December 2009; and
- c) Provide updated details of the 2009/10 budget pressures; 2010/11 growth pressures and additional savings proposals by Services; and
- d) Seek member's agreement to a range of service and financial changes in setting a balanced budget and Council tax freeze for 2010/11 including the additional ear marking of reserves for Hill of Tramaud and Disabled Parking Bill.

2. RECOMMENDATION(S)

2.1 It is recommended that members:

- a. consider the contents of this report; and
- b. make recommendations in regard to a final package of savings and efficiency options from those outlined to achieve a balanced budget taking account of 2009/10 budget pressures, 2010/11 growth items and feedback from consultation.

- 2.2 It is also recommended that members approve the commencement of a zero based budgeting approach to achieve a balanced budget for 2011/12 and future years, which includes stakeholder consultation and links to the development of Council's interim Business plan and Service's business plans.
- 2.3 The Head of Human Resources and Organisational Development and Head of Legal and Democratic Services report back to Finance and Resources Committee in due course on the outcome of a review of employment costs.

FINANCIAL IMPLICATIONS

- 3.1. The current forecast out-turn position, as reported recently to the Finance and Resources Committee meeting of 28 January 2010, identified that there were underlying costs pressures that would impact on the 2010/11 budget e.g. adults services, out of city placements and reductions in sports income. These cost pressures currently estimated to be c£8.5 million, have been included in the projected spend for 2010/11.
- 3.2. The Council also retains working balances to meet any unforeseen expenses during the financial year. In being prudent the Council aims to retain 2.5% to 3% of net spend which would equate to approximately £11.2 to £13.5 million.
- 3.3. Based on the latest projected out-turn position and utilising reserves to meet potential costs arising from Hill of Tramaud and the Disabled Car Parking Bill the projected level of working balances after taking into account known commitments is currently anticipated to be £12.876 million or approximately 3% of the net spend.
- 3.4. It is proposed that further work which is presently being undertaken on the ear-marked commitments, is reported to the Finance and Resources Committee on completion of the 2009/10 financial statements, to see if any elements can be released back into working balances.

4. SERVICE & COMMUNITY IMPACT

- 4.1. As a recognised top priority the Council must continue to take the necessary measures to continue to balance its budget. Therefore, Services are required to work within a financial constraint and every effort is being focused on delivering services more efficiently and effectively and not only on reducing services to individuals and communities.
- 4.2. Options for balancing the budget may have an impact upon service delivery and the wider community and these will be identified through each directorate and are included within this report.

- 4.3. A range of options were reported to Council on 16 December 2009 of which £23.070 million were approved for setting a balanced budget on 11 February 2010 and these are set out at **Appendix 1**. In addition a number of items were deferred totalling £1.148 million and these are set out in **Appendix 3.1** for members' consideration.

5. OTHER IMPLICATIONS

- 5.1. A major impact on the Council's position for 2010/11 and future years budgets is the current economic down turn of the United Kingdom economy and the anticipated reduction on monies allocated to the public sector by the Treasury. As Scotland receives most of its funding from the UK Government this squeeze will have a significant impact on the amount of money available to the public sector.
- 5.2. We can anticipate, in future years, a position of significant contracting of public sector funding which will change the shape of and the range of services which can be delivered.

6. REPORT

Summary – 2010/11 Budget Position

- 6.1 The updated current position is detailed in **Appendix 2** and is summarised in the following table:

2010/11 General Fund Revenue Budget		£ million
<u>Note</u>	<u>Funding</u>	
1	Central Government Grants	337.969
2	Council Tax Freeze Grant	3.300
3	Council Tax (including arrears)	106.207
4	Adult Support and Protection Funding	0.650
		<hr/>
		448.126
	<u>Add:</u>	
	Trading Services – net income	6.435
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	Total Funding	454.561
	 <u>Projected Expenditure</u>	
	Current Estimated Spend	470.856
	Add: 2009/10 Budget Pressures	9.297
5	Add: 2010/11 Growth items – Appendix 4	8.140
	Deduct: Savings Proposed Council 16/12/09	(23.070)
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	Total Projected Expenditure	465.223

Total Projected Expenditure less Total Funding	10.662
Deduct: Further Savings Proposals for consideration – Appendix 3	(2.916)
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Estimated – Additional Savings/Efficiencies target to achieve a Balanced Budget	7.746

Note 1 – This is the current level of funding the Council estimates for the financial year 2010/11 based on Finance Circular 12/2009 and any subsequent revisions that have been advised.

Note 2 – If the Council freezes the Council Tax charge at 2009/10 levels an additional £3.3 million is allocated in government grant. It is assumed that the Council will freeze Council Tax levels and therefore be awarded this funding.

Note 3 – A review of Council Tax has been undertaken and it is estimated that there will be a small increase in the Band D equivalent properties for 2010/11 generating additional income. The total figure also reflects a sum of £275k from Council tax/Community Charge Arrears for prior years. .

Note 4 – Finance Circular 12/2009 of 26 November 2009 indicates that funding relating to Adult Support and Protection will be separately provided. This funding does show that the whole of Scotland allocation remains the same as 2009/10, so currently additional income is anticipated at 2009/10 levels.

Note 5 –Details of growth items proposed by services are set out in detail in Appendix 4. The information outlined mainly reflects maximum costs and implementation upon a phased basis is an option for consideration.

Current Projected Spend

- 6.3 The attached table, at **Appendix 2**, shows how the previously reported 2010/11 position has moved since reported to Council on 16 December 2009. This outlines that at present there is a gross spend of £465.223 million for 2010/11 if all of the 2009/10 budgetary pressures (£9.297 million) and growth items for 2010/11 (£8.140 million) were accepted.
- 6.4 This updated position reflects the previously identified 2009/10 cost risks relating to sports income, children’s out of city placements/specialist care and the increasing demand for adult services.

Description	Cost Impact £'000
Adult Services	4,657
Children’s Out of City Placements/ Specialist Care	2,915
Reduction In Sports Income	900
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	8,472

- 6.5 It is felt prudent that all these items should be considered in setting the Council's 2010/11 budget strategy, as such demand led pressures are to some extent unavoidable unless the Council reviews the way it provides services. The Council must decide if these pressures should be incorporated within the 2010/11 budget or if Services should absorb them within their allocated budget.
- 6.6 The current projected spend for 2010/11 also includes:
- A revised corporate budget provision/contingency of £3.467 million;
 - A sum of £1.897 million for a revenue investment fund;
 - A total of £36.963 million for Joint Boards requisitions (Police, Fire & Rescue, and Valuation which is subject to confirmation)
 - A sum of £2.375 million for former ring fenced- Fairer Scotland Fund.
- 6.7 In addition to the current year pressures (paragraph 6.4 to 6.5 above) there are also additional growth items faced by Services totalling £7.940 million and these are set out in **Appendix 4**.
- 6.8 It can be seen that some of these growth items relate to the Concordat and Single Outcome Agreement. Elected members will therefore have to decide what items, if any, that they would wish to be built into Service budgets. The information outlined mainly reflects maximum costs and implementation upon a phased basis is an option for consideration.
- 6.9 There is also no pay award built into the base budget other than for Teachers (2.4%) whereby a negotiated settlement had previously been agreed for 2010/11. It is anticipated that the Trade Union side of the Scottish Joint Council for Local Government in Scotland will be requesting a 3% increase for their members (which would equate to £4.8 million).
- 6.10 Subsequent to the Scottish Local Authorities Remuneration Committee making a recommendation that Councillor's remuneration be frozen for the next two years at the April 2009 level of remuneration the CoSLA Leader's meeting on 29 January 2010 agreed to accept a one year freeze. The budget reflects this agreement.
- 6.11 Included within the net expenditure is sum of £3.467 million for a corporate budget provision/ contingency. It is proposed that the following ear-marked commitments are made against this budget: a) additional cost of rates (£430,000); b) the potential cost of pay settlements; and c) loss of annual rental income for property at Wellington Road (£225,000) as detailed in **Appendix 3.2**.

- 6.15 It should be noted that if a pay settlement is agreed in excess of 1% additional efficiencies potentially will have to be identified by services to meet any costs in excess of this depending on the call on contingency during the year. However, the Head of Human Resources and Organisational Development in conjunction with the Head of Legal and Democratic Services are currently reviewing the organisations employment costs and will report back to a future Finance and Resources Committee on their findings with recommendations on how employee's work life balance can be maximised and ensure efficient service delivery in the current financial climate.

Funding

- 6.16 The total funding available to the Council will be £454.561 million (assuming Council Tax levels are frozen and the Council receives £0.650 million funding for Adult Support and Protection which is expected to be notified separately)
- 6.17 Contained within the settlement figure is the Council's share of the whole of Scotland reduction in funding of £131 million. This equates to £4.737 million for Aberdeen, or 3.6% of the whole of Scotland total.
- 6.18 The Council continues to be one of the lowest funded Council's in Scotland on a per head of population basis. The Scottish average is currently (based on mid year population estimates of 2008) £2,049 compared to this Council receiving £1,724 (excluding the Council Tax freeze grant).
- 6.19 Given the above if Aberdeen were to receive the Scottish average it would receive additional funding of approximately £68 million a year.
- 6.20 The settlement letter indicates that there is also a further allocation for the whole of Scotland in relation to Teachers Induction Scheme of £37.547 million. No further details are currently available on the likely share that this Council may receive.
- 6.21 The Non-Domestic Rate Income poundage has been set by the Scottish Government at 40.7 pence from the current level of 48.1 pence which is welcomed in light of the business rates revaluation due to take place in April 2010. Subject to any relief arrangements there will be an increased cost to the Council for the properties it owns based on the expected increase in property valuations of an estimated £430,000.

Savings

- 6.22 Based on proposals outlined by Services and decisions taken by Council on 16 December 2010 the following has been approved to achieve a balanced budget in 2010/11

Service	£'000
Council Expenses	20
Office of Chief Executive	178
Corporate Governance	3,811
Enterprise, Planning and Infrastructure	2,803
Housing and Environment	2,910
Education, Culture and Sport	8,560
Social Care and Well Being	4,788
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	23,070

- 6.23 This excludes the savings identified on management restructuring, at Director and Head of Service level, totalling £921,000 which has been built into the base budget.

2011/12 and future years Budget Position

- 6.24 In developing budgets for 2011/12 and future years, it is proposed that more of a zero- based, rather than a predominantly incremental based, approach is undertaken which includes stakeholder consultation and links to the development of Council's Interim Business Plan and Service's business plans.
- 6.25 The three year settlement for the period 2011/12 to 2013/14 is as yet unknown but predictions suggest that there could be reductions of around 12%, or 4% per annum, which would equate to around £14 million per annum based on the 2010/11 grant settlement. It should be borne in mind that the budget for these financial years will be calculated and based on a range of assumptions with no indication of the likely level of general revenue grant that will be receivable from the Scottish Government until Autumn 2010 at the earliest.
- 6.26 This will require certain high level assumptions to be made but it will however provide an indication of the continued financial pressure that the Council will continue to face over the short to medium term.

Conclusion

- 6.27 In conclusion, in setting a balanced budget it can be seen that the Council continues to face difficult financial circumstances.

6.28 To achieve this a decision is required to determine the amount of additional cost pressures that Services need to build into their base budget for 2010/11 and offset this, and the current funding gap of £7.746 million, with savings and other efficiencies options identified within **Appendix 3**.

7. AUTHORISED SIGNATURE

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9. BACKGROUND PAPERS

Financial ledger data extracted for 2009/10, service committee reports on financial monitoring and the Council's Medium Term Financial Plan; Finance Circular 12/2009.

Financial Strategy - Revenue Budget 2010/11 -Finance and Resources Committee 10 December 2009, Report No. CG/09/175

Revenue Budget 2009/10 Monitoring - Finance and Resources Committee 28 January 2010, Report No. CG/10/023

COUNCIL EXPENSES

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head
CX1	Various Administration Costs	(20)	0.0	0.0
TOTAL		(20)	0.0	0.0

OFFICE OF CHIEF EXECUTIVE

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head
OCE4	Reduction in expenditure Election Unit	(27)	0.0	0.0
OCE1	Reduction in Clerical Assistant/ WPO post	(9)	(0.5)	(1.0)
OCE2	Remove Chief Public Affairs Officer post	(75)	(1.0)	(1.0)
OCE5	Remove Chief Officials Pay Award	(67)	0.0	0.0
TOTAL		(178)	(1.5)	(2.0)

CORPORATE GOVERNANCE

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head Count
CG5	Deletion of Clerical Assistant post (vacant) (G27130)	(20)	(1.0)	(1.0)
CG6	33% reduction in training budget (G27130)	(2)	0.0	0.0
CG50	50% reduction in hardware budget (G27130)	(2)	0.0	0.0
CG51	50% reduction in hardware budget (G51123)	(2)	0.0	0.0
CG52	20% reduction in courses (F11061)	(1)	0.0	0.0
CG53	40% reduction in travel (F11061)	(2)	0.0	0.0
CG54	Removal of Audit Fee (F11061)	(2)	0.0	0.0
CG7	Vacant posts - not filled	(98)	(4.0)	(4.0)
CG8	Overtime reduction	(10)	0.0	0.0
CG9	Corporate Training Budget	(80)	0.0	0.0
CG10	Misc Savings	(58)	0.0	0.0
CG11	Deletion of Team Manager - P & RM following VS	(41)	(1.0)	(1.0)
CG12	Removal of one Project Leader - currently vacant	(31)	(1.0)	(1.0)
CG14	Payroll - Postage Savings	(2)	0.0	0.0
CG15	Annual review of renewal costs of insurance premiums	(40)	0.0	0.0
CG16	Strain on the Superannuation Fund	(77)	0.0	0.0
CG17	AECC Swap Agreement	(100)	0.0	0.0
CG18	Removal of WPO Supervisor post	(25)	(2.0)	(2.0)
CG19	Change post from Committee Officer to Assistant	(13)	0.0	0.0
CG20	Efficiency savings	(15)	0.0	0.0
CG21	Efficiency savings (Various)	(10)	(1.0)	(1.0)
CG22	Change post of Senior Solicitor to Solicitor (Licensing)	(9)	0.0	0.0
CG23	Disestablishment of vacant Area Officer	(22)	(2.0)	(2.0)
CG24	Disestablishment of 2 WPO posts	(36)	(2.0)	(2.0)
CG25	Efficiency savings (Various)	(77)	0.0	0.0
CG26	Automated Bank Reconciliation	(22)	(1.0)	(1.0)
CG27	Reduction in Training budget	(5)	0.0	0.0
CG28	Efficiency savings (Various)	(16)	0.0	0.0
CG29	Review of staffing requirements - payroll	(33)	(1.5)	(2.0)

CORPORATE GOVERNANCE (Continued)

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head Count
CG30	RCC Admin Budget	(5)	0.0	0.0
CG31	Accord Admin Budget	(8)	0.0	0.0
CG32	Electronic Transfer of data	(22)	0.0	0.0
CG33	Electronic billing and merging of documentation	(2)	0.0	0.0
CG34	Removal of staffing assistant post	(19)	(1.0)	(1.0)
CG35	Strain on the Superannuation Fund	(16)	0.0	0.0
CG36	Deletion of clerical assistant post	(20)	(1.0)	(1.0)
CG38	Public Notices - Advertising Traffic Orders	(70)	0.0	0.0
CG39	Backup Software Support - reduced annual costs	(30)	0.0	0.0
CG40	Core Network Support Costs - reduced annual support	(9)	0.0	0.0
CG41	Core Hardware Support Costs- consolidation of servers	(25)	0.0	0.0
CG42	Reduction in Misc Software - reduction in required spend	(15)	0.0	0.0
CG43	Fixed Line costs - review of BT and THUS fixed lines	(40)	0.0	0.0
CG45	Project Support Officer Post	(22)	0.0	0.0
CG46	Procurement	(1,178)	0.0	0.0
CG47	Corporate Recruitment Advertising	(50)	0.0	0.0
CGI3	Scottish Water/Benefit funding	(122)	0.0	0.0
CGI4	Insurance Team Commission for Arms length organisation	(6)	0.0	0.0
CGR1	Restructure of 3rd tier Management	(58)	(1.0)	(1.0)
CGR2	Remove one part time Change Manager post.	(24)	(0.7)	(1.0)
CGR3	Review of 4th tier management	(170)	(4.0)	(4.0)
CGR4	Reduction in number of ICT analysts.	(89)	(3.0)	(3.0)
CGR5	Deletion of Posts	(148)	(4.0)	(4.0)
CGR6	24x7x365 Service Delivery Model	(83)	0.0	0.0
CP1	Strategist Central Proposals	(19)	0.0	0.0
CP2	Strategist North	(4)	0.0	0.0
CP4	Women's Centre/Grant payments to projects	(8)	0.0	0.0
CP5	Detached and Citywide Youth Work	(9)	0.0	0.0
CP6	Head of Community Planning and Regeneration	(5)	0.0	0.0
CP7	Directorate	(26)	(1.0)	(1.0)
CGX1	Backfilling of Posts	(154)	0.0	0.0
CGX2	Corporate Strain on the Fund	(500)	0.0	0.0
CG37	Prison Visiting Committee	(4)	0.0	0.0
	TOTAL	(3,811)	(32.2)	(33.0)

ENTERPRISE, PLANNING AND INFRASTRUCTURE

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head
CCM1	Marketing General	(2)	0.0	0.0
CCM2	Graphic Design	(2)	0.0	0.0
CCM3	Graphic Design Unit	(6)	0.0	0.0
CCM4	Hogmanay	(100)	0.0	0.0
CCM5	Summerhill Graphics Unit	(35)	(1.0)	(1.0)
CCM6	Waste Marketing	(12)	0.0	0.0
EES1	Reduce Visit Scotland Funding	(8)	0.0	0.0
EES2	Reduce ACSEF Funding	(11)	0.0	0.0
EES3	Reduce AREG Funding	(50)	0.0	0.0
EES4	Reduce Convention Bureau Funding	(11)	0.0	0.0
EES5	Remove Energy Futures Centre Funding	(89)	0.0	0.0
EES6	Water savings	30	0.0	0.0
EPIOS1	Operational support	(75)	(1.5)	(2.0)
F1B	Reduce Park and Ride Operation	(100)	(4.0)	(4.0)
F2	Reduction In Post Room Staff	(30)	(1.5)	(2.0)
F3	Reduction in Administration Team	(30)	(1.5)	(2.0)
F4B	Reduction in Facilities Supervisors	(60)	(2.0)	(2.0)
F5B	School Crossing - Reduce Manned Points	(90)	(5.0)	(12.0)
F6	Closure Of Summerhill	(180)	N/A	N/A
F7	Facilities Structure	(87)	N/A	N/A
F8B	Catering Service Review	tbc	tbc	tbc
PI1	E-planning Project Manager	(24)	(0.5)	(1.0)
PI2	E-planning Project Co-ordinator	(23)	(1.0)	(1.0)
PI3	Planner - Development Management	(13)	(0.4)	(1.0)
PI4	Freezing Senior Building Standards Officer	(44)	(1.0)	(1.0)
PI5	Planner - Development Plan and Access	(39)	(1.0)	(1.0)
PI6	Planner - Infrastructure Programmes	(39)	(1.0)	(1.0)
PI7	Planning Trainee - Infrastructure Programmes	(26)	(1.0)	(1.0)
PI8B	Freezing Planner Post for one year	(39)	(1.0)	(1.0)
PI9B	Senior - Strategic Programmes	(49)	(1.0)	(1.0)
PI10C	Freeze Trainee Planner Post	(26)	(1.0)	(1.0)
PI11C	Freeze Trainee Building Standards	(26)	(1.0)	(1.0)
PI12C	Freeze Building Standards Officer Post	(39)	(1.0)	(1.0)
R1	Street Lighting Electricity Costs	(450)	0.0	0.0
R2B	Dealing with Public Enquiries/Complaints	(30)	(1.0)	(1.0)
R3B	Winter Maintenance	(15)	0.0	0.0
R4	Taxicard	(10)	0.0	0.0
R5	Charges for TROs for New Developments	(10)	0.0	0.0
R6B	RTPI System	(80)	0.0	0.0
R7	Roads/Transport Structure	(35)	(1.0)	(1.0)
R8C	Road Staff Reductions (1)	(250)	(8.0)	(8.0)
R10B	16-18 Concession	(8)	0.0	0.0
R12B	Abandon Taxi Card Scheme	(130)	0.0	0.0
R13B	ITS Maintenance Contract	(20)	0.0	0.0
R14B	Blue/Green Badge Scheme	(50)	0.0	0.0
CG1	Removal of Senior Estates Surveyor post	(45)	(1.0)	(1.0)
CG2	Reduction in term consultancy	(250)	0.0	0.0
CG3	Removal of Senior Building inspector post	(30)	(1.0)	(1.0)
CG4	Removal of Principal Architect post	(55)	(1.0)	(1.0)
	TOTAL	(2,803)	(40.4)	(50.0)

HOUSING AND ENVIRONMENT

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head
HSG1	Central (Point)	(13)	(0.5)	(1.0)
HSG2	Housing Repairs	(115)	(3.0)	(3.0)
HSG3	Non Housing Repairs	(42)	(1.0)	(1.0)
HSG4	Sales and Consent	(31)	(1.0)	(1.0)
HSG5	Reduced Commissioning of homelessness services	(122)	0.0	0.0
HSG6	Community Safety	(34)	0.0	0.0
HSG7	Police Posts	(117)	0.0	0.0
HSG8	Transport Marshals	(20)	0.0	0.0
HSG9	Deletion of 3rd tier Community Safety Manager	(55)	(1.0)	(1.0)
HSG10	Clinterty	(6)	0.0	0.0
HSG11	Review of Supporting People	(182)	0.0	0.0
HSG12	Sacro Mediation Service - Non Council Tenant	(5)	0.0	0.0
HSG13	Neighbourhood Watch Co-ordinator	(7)	0.0	0.0
HSG14	Small Grants Budget	(0.5)	0.0	0.0
HSG15	Neighbourhood Budget	(5)	0.0	0.0
HSG16	The Point - St Nicholas House	(22)	(1.0)	(1.0)
ENV1	Use of Agency Staff	(33)	(35.0)	(60.0)
ENV2	Depot Consolidation	(40)	0.0	0.0
ENV6	Reduced running costs of replacement cremators	(80)	0.0	0.0
ENV3	Increase income from Ranger Service	(5)	0.0	0.0
ENV4	Increase Crematorium Charges	(90)	0.0	0.0
ENV8	Roundabout & Green space Sponsorship	(150)	0.0	0.0
ENV13	Laboratory of the Public Analyst	(27)	0.0	0.0
ENV24	Landlord Registration Fees	(96)	0.0	0.0
ENV25	Contract Monitoring to Sports Trust	(15)	0.0	0.0
ENV28	Sale of Surplus Vehicles	(27)	0.0	0.0
ENV29	Shared Trading Standards Service	(20)	(0.5)	(1.0)
W2	Trade Waste Collection	(40)	0.0	0.0
W3	Special Waste Collection Charges	(22)	0.0	0.0
DIR1	Operational support	(151)	0.0	0.0
DIR2	Vacancy Management	(242)	0.0	0.0
ENV5	Reduction to In Bloom Campaigns	(25)	0.0	0.0
ENV7	Review of Environmental Services	(150)	(2.5)	(5.0)
ENV9	Stop annual winter bedding	0	0.0	0.0
ENV10	Saving to staff structure	(32)	(1.0)	(1.0)
ENV11	General Cost Reductions	(15)	0.0	0.0
ENV12	Professional trainee and support post cuts	(20)	(1.0)	(1.0)
ENV14	Laboratory of the Public Analyst	(16)	0.0	0.0
ENV15	Pest Control Materials	(10)	0.0	0.0
ENV16	Environmental Protection Transport Savings	(5)	0.0	0.0
ENV17	Duthie Park Store	(20)	(1.0)	(1.0)
ENV18	Non Statutory post Cuts	(30)	(1.0)	(1.0)
ENV19	Lead Environmental Manager	(68)	(1.0)	(1.0)
ENV21	Reduce Parks Maintenance	(80)	(1.5)	(3.0)
ENV26	Market Testing - Grounds Service	(393)	(20.0)	(20.0)
ENV27	Market Testing of Street Sweeping	(78)	0.0	0.0
ENV30	Review of Environmental Health/Protection Service	(10)	(1.0)	(1.0)
ENV31	Sheltered Placement	(8)	(4.0)	(4.0)
W1	Waste Implementation Team Structure	(65)	(3.0)	(3.0)
W4	Market Testing of Waste	tbc	tbc	tbc
W5	Waste Marketing	(70)	0.0	0.0
		(2,910)	(80.0)	(110.0)

EDUCATION, CULTURE AND SPORT

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head Count
C01	Catering	(24)	0.0	0.0
C02	Reduction in central support/management posts	(145)	(4.0)	(4.0)
C03	Reduction in CLD Team Leader/Development posts	(68)	(1.5)	(2.0)
C04	Reduction in CLD Senior Community Worker Posts	(37)	(1.0)	(1.0)
C05	Reduction in Community Training Unit Budget	(30)	0.0	0.0
C06	Reduction in CLD Training and Development Funding	(80)	0.0	0.0
C07	Arts Development Team	(23)	(1.0)	(1.0)
C08	Sports & Culture Grants	(191)	0.0	0.0
C09	5% Reduction in funding for Sport Aberdeen	(500)	0.0	0.0
C10b	Museum and Gallery Staffing Reductions	(62)	(2.5)	(4.0)
C11	5% Reduction in grants to Community Projects	(33)	0.0	0.0
C12	Reduction in budgets for leased community centres	(29)	0.0	0.0
C13	8.75% reduction in Neighbourhood Planning budget	(40)	0.0	0.0
C14a	Library Service - Reduction in library posts	(122)	(4.5)	(6.0)
C14b	Library Service Charges	(20)	0.0	0.0
C15a	Citymoves	(14)	0.0	0.0
C15b	Arts Education	(11)	0.0	0.0
C16	Tribal Electronic Strategic Planning	(17)	0.0	0.0
C17	Admin Support Integrated Children's Service	(15)	0.0	0.0
C18	Integrated Children's Service Development Budget	(17)	0.0	0.0
C20	5% Reduction in gross budget for Adventure Aberdeen	(20)	(1.0)	(1.0)
C21	Reduction in Clerical Post	(24)	(1.0)	(1.0)
C22	Station House Media Unit	(50)	0.0	0.0
C23	Linksfield Swimming Pool	(125)	tba	(10.0)
L01	Schools - Teaching	(2,225)	(83.5)	(83.5)
L02a	Secondary Schools Technical Support	(197)	(5.9)	(5.9)
L02b	Secondary Schools Admin/Clerical	(218)	(11.0)	(11.0)
L03	Non-statutory	(535)	(6.5)	(6.5)
L04	ICT- Glow/European/Resources	(20)	0.0	0.0
L05	Facilities - Education	(750)	0.0	0.0
L06	School Transport	(125)	0.0	0.0
L07	Continuing Professional Development Learning	(75)	0.0	0.0
L08	Staffing adjustments due to school roll reductions	(211)	(9.2)	(9.2)
L12	Additional Support Needs	(1,552)	(5.0)	(7.0)
L13	Early Years, Early Intervention	(145)	0.0	0.0
DS01	Directorate and Support Costs	(164)	(6.0)	(6.0)
DS02	Operational Support	(647)	(12.0)	(12.0)
		(8,560)	(155.6)	(171.1)

SOCIAL CARE AND WELLBEING

Ref No.	Title of Service Change	2010/11	2010/11	
		£'000	FTE	Head Count
SCW-ML01	Tendering for Services	(125)	tbc	tbc
SCW-ML02	Redesign of training team	(150)	(3.0)	(3.0)
SCW-ML03	Apply eligibility criteria across all Supporting People Services	(300)	0.0	0.0
SCW-ML06	Increase all charges in day care	(45)	0.0	0.0
SCW-ML07	Review of role of Community Placement Team	(100)	(9.0)	(10.0)
SCW-ML08	Tendering for Garden Crafts Products	(37)	tbc	tbc
SCW-ML09	Redesign of Contract and Commissioning Functions	(130)	(3.0)	tbc
SCW-LT02	Recommission Mental Health Day Care Unit	(150)	0.0	0.0
SCW-LT03	Close residential care home	(200)	(13.0)	(13.0)
SCW-LT05	Close OP day care unit	(210)	(3.0)	(6.0)
SCW-LT06	Restructuring of Adults Services	(60)	(1.0)	(1.0)
SCW-LT07	Vacancy Management	(800)	0.0	0.0
SCW-LT08	Review role of hospital teams	(150)	(4.0)	(4.0)
SCW-LT09	Restructuring of Care Management	(150)	(3.0)	(3.0)
SCW-SD01	Decommission Service from Primrosehill Family Centre	(80)	0.0	0.0
SCW-SD03	Increase capacity within residential children's homes	(100)	0.0	0.0
SCW-ML10	Redesign of delivering self-directed care	(100)	(3.0)	0.0
SCW-ML11	Move to a single sensory service	(100)	0.0	0.0
SCW-ML12	Remove the grants payment in support of Talking Books	(13)	0.0	0.0
SCW-LT14	Reduce staffing levels in Care at Home Service	(160)	(5.0)	(5.0)
SCW-ML15	LD establishments staff restructure	(100)	0.0	0.0
SCW-LT11	Close LD Residential Establishment	(200)	(9.0)	(9.0)
SCW-LT13	Integrate Community Learning Disability with Adult Care	(50)	(1.0)	(1.0)
SCW-LT15 & 24	Horizons - reduce staffing levels	(280)	(7.0)	(7.0)
SCW-LT19	Restructure OP residential staff	(100)	0.0	0.0
SCW-SD04	Reduction of Senior Social Worker post in Children's services	(50)	(1.0)	(1.0)
SCW-SD05	Reduction in Changing Children's Services Fund	(100)	0.0	0.0
SCW- FMcB01	Reduction in Strategist Posts	(240)	(5.0)	(4.0)
SCW-FMcB03	Maximising income	(50)	0.0	0.0
SCW-FMcB05	Reduction in Administrative Support	(37)	tbc	tbc
F7- Facilities	Facilities Structure	(58)	tbc	tbc
SCW-LT16	Community Care Review team	(300)	(6.0)	(9.0)
SCW-FMcB04	Realign structure	(63)	(1.0)	(1.0)
		(4,788)	(77.0)	(77.0)
	Overall Total	(23,070)	(386.7)	(443.1)

	Draft Base Budget 2010/11 £ million	Savings Proposed 16/12/09 £ million	Revised Base Budget 2010/11 £ million	2009/10 Budgetary Pressures £ million	Revised 2010/11 Base with Pressures £ million	2010/11 Growth Items £ million	Revised 2010/11 with Growth and Pressures £ million
NET EXPENDITURE							
Council Expenses	2.231	-0.020	2.211	0	2.211	0	2.211
Office of Chief Executive	0.951	-0.178	0.773	0	0.773	0	0.773
Corporate Governance	29.998	-3.811	26.187	0	26.187	0	26.187
Enterprise, Planning and Infrastructure	30.102	-2.803	27.299	0	27.299	0.075	27.374
Housing and Environment	59.280	-2.910	56.370	0	56.370	0	56.370
Education, Culture and Sport	188.353	-8.560	179.793	1.384	181.177	6.035	187.212
Miscellaneous Services	45.211	0	45.211	0	45.211	0	45.211
Social Care and Wellbeing	115.651	-4.788	110.863	7.088	117.951	1.830	119.781
	471.777	-23.070	448.707	8.472	457.179	7.940	465.119
Other Items	-0.921	0	-0.921	0.825	-0.096	0.200	0.104
	470.856	-23.070	447.786	9.297	457.083	8.140	465.223
FUNDING							
Central Government Grants	-337.975		-337.975		-337.975	0.006	-337.969
Council Tax	-105.932		-105.932		-105.932		-105.932
Council Tax Freeze	-3.300		-3.300		-3.300		-3.300
Adult Support and Protection	-0.650		-0.650		-0.650		-0.650
Council Tax/Community Charge Arrears	-0.275		-0.275		-0.275		-0.275
Reserves and Balances	0		0		0.000		0.000
Trading Services	-6.435		-6.435		-6.435		-6.435
	-454.567	0	-454.567	0	-454.567	0.006	-454.561
Budget (Surplus)/Deficit	16.289	-23.070	-6.781	9.297	2.516	8.146	10.662

2009/10 Budgetary Pressures Represented By:

Adult Services	Social Care and Wellbeing	4.657
Out of City Placements/Specialist Care	Social Care and Wellbeing	2.431
Out of City Placements/Specialist Care	Education, Culture and Sports	0.484
Reduction in Sports Income	Education, Culture and Sports	0.900
		8.472

Other Items:

Restructuring of 1st/2nd Tier	-0.921
3R's Unitary Charge Adjustment	0.825
Joint Board Requisition Adjustments	0.200

0.104

Further Items For Consideration

	£'000	£'000	Notes
Base Position with all Pressures		10,662	
Trading Services Revised Surplus	(320)		Revised Car Parking surplus
Water Savings	(171)		Includes water meters and procurement savings
Joint Public Sector Group	(20)		Funding no longer proposed
Private Sector Housing Grants	(1,177)		Awaiting grant settlement but this is net of spend already in base
50% Reduction in Investment Fund	(900)		Only 50% as there will be requirement for 2010/11 spend
NESTRAN Funding	(16)		Reduced level of funding requested for 2010/11
Democratic Services Structure	(13)		* Subject to Committee Approval
Pets' Corner Income Generation	(34)		* Review of donations, sponsorship, fundraising etc.
Merge Welfare Rights/Debt Counselling	(82)		* Merge welfare rights and debt counselling/money advice teams
Infosmart Creditors Processing	(183)		This depends on implementation date - assumed half year effect
		(2,916)	

Potential Base Budget Position

 7,746

* - Approved by Finance and Resources 28 January 2010.

Other Options Available:

1. Include previously deferred savings totalling £1.148 million - See Appendix 3.1
2. Review level of contingency contained in base budget - See Appendix 3.2
3. Voluntary Severance/Early retirement savings (50 posts = £1.25 million approximately).
4. Only allow, say, 75% of 2009/10 budget pressures (services to contain this) reducing base by £2.1 million.
5. Phased implementation of 2010/11 education budget pressures - half year effect = £3.5 million reduction in base.
6. Potential work force working practices review.

Example:

Potential Base Position (Per above)	7,746	
Add Contingency Reduction	(500)	Reduce the level of budgeted contingency level.
Review of Growth and Employment Costs	(7,246)	Example of potential saving
Budget Surplus/(Deficit)		<hr/> 0 <hr/>

ITEMS DEFERRED FOR A FURTHER REPORT

		2010/11	2010/11	
		£'000	FTE	Head
Enterprise, Planning and Infrastructure				
R11B	Supported Bus Services	(80)	0	0
Education, Culture and Sport				
C19	Community Learning Hubs	(100)	(4.0)	(11.0)
L09a	Learning Estate Primary	(193)	(7)	(10)
L09b	Learning Estate Secondary	(295)	(10)	(10)
Social Care and Wellbeing				
SCW-ML13	Voluntary Organisations Grants	(300)	-	-
SCW-LT04	Welfare Rights Team *	(180)	(10)	(10)
		<u>(1,148)</u>	<u>(31)</u>	<u>(41)</u>
SCW-LT02	Recommission Mental Health Day Care Unit Saving accepted but a further report is required.			

* This item is now dealt with in Appendix 3

Use of Contingencies

	£'000	£'000
<u>2010/11 Contingency Provision</u>		(3,467)
Earmarked Sums:		
Non Domestic Rates	430	
Wellington Road	225	
Additional Support for Learning Act	75	
	<hr/>	<hr/> 730
Balance Available		<u><u>(2,737)</u></u>
Pay Contingency		1,600
Potential Reduced Level of Contingency		500
Potential Unapplied Contingency		<u><u>(637)</u></u>

Growth Proposed not included in 2010/11 base budget

Summary Growth by Service

Description	£'000
Enterprise, Planning & Infrastructure	75
Education, Culture & Sport	6,035
Social Care and Wellbeing	1,830
Total Growth Proposed	7,940

Enterprise, Planning and Infrastructure

Description	£'000
EBDP1 – International Direct Marketing – designed to promote major investment opportunities within the city.	60
EESP3 – Energy Management – additional funding required to enable Technical Services to carry out work to achieve energy saving measures.	5
PIP9 – Affordable Housing Research – commissioning of an independent adviser to help develop a model for assessing affordable housing contributions to planning gain.	10
Total Growth Proposed	75

Education, Culture and Sport

Description	£'000
3R's Unitary Charge adjustment to reflect the current agreed unitary charge for 2010/11.	0
School Meals Legislation (Concordat) 3 options - To deliver free school meals to all P1-P3 pupils from August 2010.	1,560
Pre-School Entitlement (Concordat) 3 options. From August 2010, pre-school entitlement will increase from 470 to 570 hours.	757
Curriculum For Excellence - To be fully implemented from 2010. The first national qualifications will be delivered in 2014. Support required for continued development of Literacy, Numeracy, Assessment and Learning and Teaching.	0
ASL Act - Potential cost of new duties relate to a number of revisions of the Education (Additional Support for Learning) (Scotland) Act 2004 and the 2009 amendments to the Act.	0
Kaimhill Decant - Costs associated with the decanting of pupils while new facilities are built on the original school site.	255
Secondary Management Structures - Costs associated with moving to a Faculty Structure.	435

Education, Culture and Sport (Continued)	
Primary 1 to 3 Class Sizes (Concordat) - Reducing class sizes in primary one to three to a maximum of 18.	2,843
MIS for schools - Replacement/upgrade of Schools Management Information System.	125
L&IS spend to Save: ICT - Investment in new technology to replace current postal notification of overdue accounts and reservations with email or text.	60
Total Growth Proposed	6,035

Social Care and Wellbeing

Description	£'000
SCW-Growth-01 - Elmwood Resettlement. Current provision in the budget for the re-settlement of 10 individuals from Elmwood is £750k. It is now considered that support packages for these individuals will cost £1m.	250
SCW-Growth-02 - Impact of Demographic Changes. Seeks additional budget for Occupational Therapy equipment £200k, additional respite services £200k (now removed) and the establishment of a peripatetic pool of staff £300k.	500
SCW-Growth-03 - Intensive Community Support. New service to be provided jointly with Education, culture and Sport to provide support to children to prevent out of city placements and thereby enable achievement of the savings plans included in the budget from 2009/10.	730
SCW-Growth-04 - Post Adoption Support. Additional post to meet new legislative requirements in 2009.	50
SCW-Growth-05 - Kinship Care payments. To pay kinship carers in line with fostering rates and provide support services. This is required to meet the agreement in the Concordat and is now included in the Looked After Children regulations 2009.	300
Total Growth Proposed	1,830

The following items have been removed from the growth list following discussions with Directors and the City Chamberlain:

- 3R's Unitary Charge adjustment to reflect the current agreed unitary charge for 2010/11 and is now shown as an exceptional item - £825,000.
- Curriculum For Excellence - To be fully implemented from 2010. The first national qualifications will be delivered in 2014. Support required for continued development of Literacy, Numeracy, Assessment and Learning and Teaching – Removed from growth - £100,000.
- Additional Respite Services – Removed from growth - £200,000.
- ASL Act – Now provided for within contingencies - £75,000.