



The Budget 2009/10 (Part 2)

BUDGET CONSULTATION

For 2009/10 Cabinet agreed to publish detailed budget options for consultation prior to formulating its draft budget. In December 2008 Cabinet approved a consultation paper on revenue budget proposals and in January 2009 Cabinet approved proposals for consulting on the capital programme. The following responses to the consultation exercise were received and taken into account in the formulation of the budget:

Scrutiny

In November 2008 all Scrutiny panels examined possible budget options, prior to Cabinet agreeing its revenue budget consultation proposals. The Chair of Scrutiny Management Board prepared a full report on the observations arising from all the panels, including detailed comments from each panel, and this was presented to Cabinet on 9 December 2008.

In January 2009 the Improving Council Services Scrutiny Panel had an opportunity to consider the consultation proposals for the capital programme. The Panel considered that Local Committees would have a keen interest in the detailed proposals and that there was an opportunity to take sounding at the Local Committee Chairs meeting. Scrutiny appreciated the importance of considering the overall composition and funding of the capital programme and welcomed discussion of the linkages between the revenue budget and capital programme.

Local Committee Chairs

In January 2009, Local Committee Chairs considered the various revenue and capital budget proposals which were of most relevance to Local Committees. Proposals for the creation of a capital fund for local capital projects were broadly welcomed, particularly if the programme were to run across three years covering the medium term financial plan.

Additional funding for activities for children and young people aged 6-12, helping to complement work being undertaken through Sure Start and the Integrated Youth Service, was welcomed generally but there was some debate in relation to other budget lines. Local Committees already have an early years line which covers children from 0-8 and a 'youth' budget which covers non statutory support for youth work and can support activities for a wide age range 8-25.

In January 2009 Cabinet agreed to devolve the budget and responsibility for monitoring Cumbria Youth Support Services contracts to Local Committees. The budget framework for 2009/10 included proposals for

resources to be delegated to Local Committees from April 2009 to support activities for children between the ages of 6 and 12 and this was welcomed by Local Committee Chairs.

There were a number of Community Unit savings proposals which might have impacted on Local Committees. These included recovery of management costs for grants administration including community grants such as neighbourhood forum and local committee grants and possible reductions in grants to the third sector and through Local Committees. These proposals were not supported although there was agreement that the Council needed to be aware of the costs of administering these grants.

Business Community

The Cumbria Chamber of Commerce circulated details of the Council's budget proposals to its members and other businesses and provided a consolidated response. Key points included support for a Council Tax increase of 2.5%, below the increases originally included in the Council's Medium Term Financial Plan. Business also supported the moves to strengthen the Council's General Reserves over the medium term and saw merit in retaining the revenue headroom for equal pay borrowing costs and implementation of single status at £9m rather than increasing the headroom to £11m.

Third Sector

There were meetings with representatives of the third sector and a number of organisations wrote separately expressing their views on the budget proposals:

- The third sector executive had particular concerns regarding proposed reductions in terms of 3rd sector support and neighbourhood grants.
- Whilst welcoming proposed additional resources for debt advice, third sector representatives questioned if this level would be sufficient to meet increasing demand for such services. There were other significant issues such as fuel poverty and enabling people, particularly the elderly, to maximise their income.
- Possible reductions in the numbers of trainees on the Pathways to Youth Employment training programme were considered inappropriate in the light of the current economic downturn. The programme is recognised as important in helping young people access their first steps on the employment ladder.
- Additional funding for under 13s was particularly welcomed.

- In respect of the health and wellbeing of adults, third sector representatives considered it essential that consultation occurred with both users and providers of these services as effective partnership working is necessary to agree implementation.

Trades Unions

Issues discussed in meetings with Trades Unions included the proposal to hold the revenue headroom for borrowing costs and single status implementation at £9m, the Council's use of consultants, efficiency proposals and steps to enforce the eligibility criteria for essential car users

Schools Forum

On the 29th January the Schools Forum considered three aspects of the budget:

- the proposed Schools Budget
- the request by the County Council that the Schools Budget finance prudential borrowing in respect of schools reorganisation of £7 million
- The County Council budget options in respect of Children's Services

The Schools Forum agreed that the borrowing costs for the academies programme should be charged to the schools budget in future years.

Simalto exercise

The Council commissioned consultants to undertake an exercise to determine a cross section of the community's responses to budget options and possible council tax levels using Simalto (Simultaneous Multi-Attribute Level Trade Off). In this exercise people are given a set "budget" and invited to make trade off decisions between different services. The outcome is a model which identifies the public's optimum mix of savings and improvements in services, together with an indication of the level of council tax that would be seen as acceptable to achieve this mix.

Six focus groups were held across Cumbria in diverse locations to ensure there was good coverage of opinions from all sectors, including urban and rural populations and disadvantaged communities. In addition the Simalto exercise was made available on the web, attracting significant interest from Members, staff and the wider community.

The exercise showed support for some reprioritisation of services. Further expenditure on highways, regeneration activities and the fire service received strongest support. Such investments would need to be funded

through modest increases in fees and charges and reduced spend on publicity promoting waste recycling.

Other areas of potential growth which received support included provision of debt advice in light of the credit crunch, and support for children's activities, youth employment, and targeted use of school clothing grant. Possible savings measures which received some support included limited closure of care homes, removal of a second fire engine from some fire stations, and modest reductions in community grants.

There was broad consensus that council tax increases should be pegged a little below the 3.5% level incorporated in the current medium term financial plans.

Consultation with Service Users in respect of charges

In general fees and charges were planned to increase by 3% and further discussions were held with service users. The freezing of home care and day care charges were welcomed by a number of groups.

LINKAGES BETWEEN THE BUDGET & COUNCIL PLAN

The budget is effectively the financial plan for the delivery of the Council Plan, and as such there are clear links between the priority themes and investment and efficiencies.

The budget is designed to deliver the following key corporate priorities:

Better...council services connected to people and places

Wealthier...a sustainable and prosperous economy

Healthier...improving the health and well-being of adults

Happier...improving life chances and well being of children and young people

Safer...stronger and inclusive communities

Greener...world class environmental quality and effective connections between people and places

The table on pages 13 - 16 sets out the budgeted changes in revenue resources that have been allocated to meet corporate priorities.

ROBUSTNESS OF THE BUDGET AND BUDGET RISK

Report of the Chief Finance Officer

1. Introduction

- 1.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the 2009/10 budget when the County is making the statutory calculations required to determine Council Tax. This report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
- 1.2 Both these issues centre around risk and uncertainty and need to be considered together.

2. Robustness of the Budget

- 2.1 The key evidence to forming a view on the 2009/10 budget is the process that the County has employed in order to reach its decisions on the budget for next year.
- 2.2 The key areas of information that inform this process are:
 - The projected resource position
 - Assessments by the County's officers of the likely pressures on the County's 2009/10 budgets to continue its existing policies and meet new statutory requirements (the budget pressures). This has included projections of demographic changes, statutory/regulatory changes, and activity demand factors through the service review process
 - The County's financial and performance monitoring processes
 - The need for capital investment as highlighted through the County's capital strategy and asset management plan
 - Economic data related to potential changes in interest and inflation rates during the period of the budget
 - Officer advice at all stages of the process with respect to the deliverability of savings, and specific budgetary considerations, including that of the costs of maintaining current services
 - Detailed scrutiny of options and comparative data by both Members and officers to confirm the implications of any proposals and the evaluation of alternative options
 - Affordability including through the consideration of indicators under the prudential code and the impact of the budget on Council Tax levels

- The preparation of three year budgets as a means of identifying issues for future years

3. Assessment

- 3.1 The budget proposed is effectively based upon estimates of what is anticipated to happen over the coming 12 months, and as such there is some inevitable uncertainty. The past year, perhaps more than most, has seen very volatile conditions, which are likely to continue into 2009/10.
- 3.2 The single most significant risk that the County faces is in respect of single status and equal pay, this is also the risk where the County faces the greatest level of uncertainty. A strategy is in place to build up reserves to meet the financial risks and also to resolve the unknown factors through the Project Board. These risks will become clearer as time progresses, and will need to be monitored and the strategy amended as necessary.
- 3.3 With this reservation, in the view of the Chief Finance Officer the overall assessment given all these parameters is that the County's 2009/10 budget has been formulated following a robust process.
- 3.4 This cannot be taken as a guarantee that every element of the budget can be implemented without issue or variation. It remains essential that there is robust implementation of the budget, supported by ongoing monitoring of financial and service information.
- 3.5 It must be recognised that given the size of the County's budget it should be possible to manage most non-exceptional in year variations through virements and if necessary in year savings.
- 3.6 The following areas of potential risk exist within the County's proposed budget, which due to uncertainty or volatility will require the specific and careful monitoring both of financial and service data over the coming year. A list of identified risks is set out in Appendix D (1). In some cases these risk areas offer exciting new opportunities for the Council but can also pose fresh challenges. For example the new contracts in respect of waste management and CNDR, the Academies, and the implementation of new corporate IT systems, present clear long term benefit and support the achievement of the Corporate Plan.
- 3.7 These risks include:
 - **Budget Implementation** due to the potentially challenging nature of transformation agenda and savings built into the budget requirement, particularly in respect of some of the cross cutting savings. The proposed budget includes £3.2 million of cross-cutting savings in addition to new e-procurement savings and HR ICT savings of £1.5m.

- **Single Status and Equal Pay** due to uncertainty around the outcomes of equal pay negotiations and job evaluation and possible backdating
- **Land Sales** due to uncertainty around levels and dates of capital receipts
- **Income uncertainties** due to uncertainties in income collection due to the economic environment.
- **Adult Social Care / Learning Disabilities** due to uncertainty in demand
- **Children's Services (Non-Schools)** due to the uncertainties around the volatility of client numbers and placement costs
- **Final contract prices** due to uncertainties until the waste management and Carlisle Northern Development Route contracts are signed
- **Price/Pay inflation** due to uncertainty in pay and price increases rising above assumptions built into the budget requirement
- **Interest rate volatility** due to changes in interest rates
- **Investment Stability** due to global economic financial conditions
- **Capital Programme** cost pressures above inflation and risks in relation to cost overruns on external schemes
- **Accountable Bodies** due to potential inadequate information to support grant returns and grant recovery

3.8 Where budget variances arise it is important that Directorates continue to anticipate and pursue prompt corrective action. Members will continue to be provided with regular reports to monitor progress. However, it is vital that this is coupled with the monitoring of service trends and data. With capital schemes this must mean ensuring robust project management processes are in place.

3.9 In the main body of this report reference is made to the challenge the County faces in budget years in 2010/11 and 2011/12 where there is a requirement for cumulative efficiency savings of £10.1m. This is in line with the County's efficiency targets, however it is vital that significant steps continue to be made by Cabinet and the Corporate Management Team to ensure the budgets in those years do match the resources available.

4 Adequacy of Reserves

4.1 The County may carry a number of types of reserves. These will be held for two main purposes:

- A working balance to help cushion the impact of uneven cash flows and the impact of unexpected events. This forms part of the General Reserves
- As a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The General Reserves

- 4.2 The General Fund working balance is projected to stand at £7.5 million at the end of 2008/09 based upon the assumption that the robust action being taken to deliver a balanced budget at the year end is effective and incorporation of the CWM dividend of £1.5 million. The 2009/10 budget includes no planned drawings or contributions apart from the use of the CWM dividend. Hence the position at the end of 2009/10 is that General Reserves are anticipated to be £6.75 million representing the minimum level plus that year's CWM dividend.
- 4.3 The judgement of the adequacy of the level of the general fund reserves includes assessments of the County's financial capability, including:
- Its overall financial standing judged by such factors, for example, as levels of income collection, risk management and external auditor judgements
 - The track record of budget management in the County, including those in relation to partnerships
 - The capacity to manage in-year budget pressures
 - The strength of financial information and reporting
 - The significant future challenges that the Council is facing plus the likely Government agenda
 - The ability of the Council to utilise earmarked reserves in the short term if necessary
- 4.4 The predominant ongoing risks to the County are:
- a) The financial management of the Authority is developing. There have been recent changes to the Authority's accounting systems which are still being embedded. There remain opportunities to utilise the potential benefits of the new General Ledger system to improve the financial management and reporting.
 - b) The County is undergoing significant transformation in the way its services are provided and developing the associated infrastructure to support them. As well as significant opportunities and benefits this also presents associated risks, some of which may become financial risks.
 - c) The ongoing challenges associated with equal pay and single status

- d) The significant role of the County as accountable body for a number of grant streams and partnership arrangements
 - e) Finally the County is undertaking a significant number of infrastructure projects, which equate to over £100 million in 2009/10. These carry with them the risk of costs overruns and the possible requirement of management intervention.
- 4.5 In recent years the County has had a good record of managing overspends, and in most cases has quickly addressed these, however it is not always feasible for management action to fully address financial pressures. Set this alongside the risks outlined above and the cumulative nature of some of these risks becomes apparent.
- 4.6 The coming year presents many challenges. The global economy is very volatile. In the last year this has seen inflation rise sharply and in many areas fall back again. Whilst oil prices have fallen in recent months, these remain susceptible to global events and can change significantly and rapidly. There is general consensus that job losses and associated income falls will continue in 2009/10 and this will undoubtedly lead to increased demand for the County's services. Finally the financial markets and banking sector remain turbulent. They have stabilised to some extent since Government intervention, but remain fragile and at risk of further bank failures.
- 4.7 The Audit Commission view on the level of balances to be held has changed over the years, varying for Counties from between 3% and 5% of Net Revenue Expenditure (excluding schools), which would equate to £9 and £16 million. The current view is that the level of balances should be based on the advice of the Chief Finance Officer and "should be supported by a robust risk assessment of the future risks facing the Council".
- 4.8 An initial assessment of the major financial risks faced by the County is set out in Appendix D1. The analysis indicates that the average risks faced by the County equates to £10 million. Whilst the likelihood of all these risks occurring in any one year is low, there are significant areas of uncertainty particularly around Equal Pay and Single Status, Adult and Children's Social Services, and the degree of change occurring across the Council as a whole. In addition to these the County also needs to maintain balances to meet the potential call of items such as Major Disasters and Business Continuity disruptions and a general contingency for cash flow requirements. These can be estimated at approximately £2.0 million. Adding this to the £10 million mentioned above gives a total of £12 million.
- 4.9 The advice of the Chief Finance Officer is that having considered the needs for balances alongside ongoing financial stability, previous experience, current monitoring and management systems and potential future challenges, the risks inherent in the County's budget and the County's Treasury Management Strategy, that the County should have a strategy to increase its General Reserves from their current minimum level over the next three to five years.

4.10 The following strategy is recommended:

- Windfall surpluses and receipts are used to build balances – this may include future additional CWM dividends, any gains from the outcome of the CAW legal action, future non-ring fenced grants, and the reimbursement of expenditure should the CNDR PFI contract be signed
- Delegate authority to the Chief Finance Officer to bring forward proposals to rationalise the existing earmarked reserves, transferring balances to the General Reserve if appropriate
- Consider selling surplus existing assets
- Where underspends arise in the revenue budget, transfer these to the General Reserves
- If necessary plan in future years' budgets to make an ongoing revenue contribution to the General Reserves.
- If necessary identify in year savings and efficiencies that can contribute to the level of balances

Opportunity Cost of Holding General Reserves

- 4.11 Holding General Reserves to meet unexpected events or emergencies is a necessary requirement. However, there are opportunity costs and benefits of holding cash balances, which can be measured in a variety of ways depending on what these resources were alternatively used for. As an example, holding cash gives a financial benefit in contrast to using the cash to fund capital expenditure. The financial benefit would be the difference between the investment return and the total borrowing cost (including provision to repay debt) which broadly equates to 4%.
- 4.12 On this basis for every £1 million of cash held then the purely financial benefit could be deemed to be £40,000 a year or approximately £240,000 a year for balances of £6 million and £480,000 for balances of £12 million. Using the balances to repay debt earlier may not achieve a matching saving given the costs of early redemption and the differences in short-term and long-term interest rates.
- 4.13 If balances were to be considered to fund one off expenditure, then the opportunity cost is the improvements that would accrue from that expenditure, for example improvements in services, increased performance or some other measure. There are a number of one off and capital items that Members have considered as part of the budget process but that have not been funded in the budget proposals. This is the opportunity that is being missed by holding General Reserves. However, this is only relevant if those items match the Council's priorities and Medium Term Financial Plan.
- 4.14 It is important when considering the level of working balances that the issue of the opportunity costs and benefits of such an approach are

also considered and that Members weigh up the potential benefits against the risks.

- 4.15 The other important factor to consider is that balances can only be spent once. There is a significant risk of financial instability if significant levels of balances are used to fund ongoing spending or reductions in Council Tax. This is particularly the case in the context of the capping regime and the limits this sets on future Council Tax rises, which could mean that any need to replenish balances could impact on front line services.
- 4.16 Hence the level of balances held overall is a balance between the risks facing the County and the need to protect the County and Council Tax payer from the short and longer term potential impact of these risks and the opportunity costs of holding those balances. The previous advice that the Council should plan to build up its reserves from the minimum £6 million to £12 million must be stressed. It is not recommended that General Reserves are used to support the revenue budget.

Earmarked Reserves

- 4.17 There are also a number of other specific earmarked reserves that because of their nature are not generally available to support the Council's medium term financial plan. Examples of such a reserves range from the equal pay and single status reserve and Schools Reserves which represent the cumulative balances held by individual schools, to the reserve that is used to build up resources for elections, to smaller reserves such as for fire fighters ill health retirements.
- 4.18 At the start of 2009/10 it is anticipated that the County will have £61 million of earmarked reserves, largely comprising the single status/equal pay reserve and schools balances. Listed below are the significant earmarked reserves that have been considered as part of the budget process:

4.19

Description	Purpose and Adequacy	Estimated Balance as at 31.3.09 £'000	Estimated drawings/ (contributions) £'000	Estimated Balance as at 31.3.10 £'000
Schools	Accumulated funds held by schools solely for use by schools in accordance with legislation. The projected level of balances is provisional and based on information provided by schools.	11,200	2,200	9,000
Dedicated Schools Grant	Surplus or deficit of spending on the Dedicated Schools Grant. Considered by the Schools Forum as part of budget consultation	- 900	300	- 600
Capital Fund	This is available to fund the Capital Programme. The resources within this reserve are mainly held to fund slippage on the Capital Programme.	1,400	-	1,400

	Adequacy is reviewed during closedown and budget processes.			
Insurance Reserve	This reserve has been set aside for unquantified insurance claims and future insurance losses.	3,900	-	3,900
Elections	Reserve built up to meet the costs of elections and associated costs every 4 years. It is anticipated that the reserve will be fully utilised in the June elections.	500	(500)	0
Single Status & Equal Pay Reserve	To meet the one off costs of single status and equal pay including the costs of the project team and advisers	38,933	9,000	47,933

- 4.20 From the schedule of earmarked reserves shown, the majority are considered to be adequate. There are potentially deficits on school reserves of approximately £5.4 million at the end of 2008/09, but these schools are required to develop and agree plans to bring these balances back into line over a period of time. There are still some uncertainties in relation to the Single Status/Equal Pay Reserve. This is because at the present time it is not possible to fully assess the adequacy of this reserve. This is because whilst a number of estimates exist as to the possible costs for equal pay, until such a time as an offer is approached these figures may be subject to significant change. Similarly for single status, a number of decisions are needed in respect of protection and where the County sets the pay line which will determine if this reserve is adequate. The County does however have a strategy to go forward in respect of building this reserve and working to resolve the current unknown issues. If it emerged that the single status/equal pay reserve were significantly different from the assessed liabilities, action would need to be taken in year through for example additional savings and/or drawings on the general reserve.

5. **Budget Risk**

- 5.1 The assessment and addressing of risks is an important element of sound financial arrangements.
- 5.2 The County faces a number of challenges which bring significant opportunities, such as the CNDR, waste contract, academies programme, implementation of new ICT, and delivering transformation and more efficient Council Services. These significant ambitions also bring with them risks, together with the usual economic risks and risks associated with service demand.
- 5.3 The key for the County is that these risks are managed effectively, in accordance with the agreed risk management processes.

BUDGET RISK ANALYSIS

BUDGET HEADING	RISK	BASIS OF CORE ASSUMPTION	COMMENTARY	EFFECT ON BUDGET	OTHER MEASURES TO MITIGATE RISK	WORST CASE £000	LIKELIHOOD %	ESTIMATED RISK £000
WASTE DISPOSAL	Waste Tonnages / tonnages to landfill	Analysis of waste arisings over recent years	Increased uncertainty in light of falling market for waste recycling	Additional cost/budget pressure	Pan Cumbria waste management partnership and establishment of commercial strategic contractor	2,000	25	500
	Leachate from closed landfill sites	Technical reports		Additional cost/budget pressure		1,000	10	100
WINTER MAINTENANCE	Number of treatment days	Trend analysis over recent years	2008/9 winter likely to be significantly worse than recent winters	Additional cost/budget pressure		2,000	20	400
CNDR	Contract affordability.	Monitoring in light of credit crunch and availability of finance	Government support for CNDR now in place	Additional cost/budget pressure	Contract management arrangements	5,000	10	500
CAW	Fees arising from protracted court case	Monitoring of legal progress	Criminal court case now scheduled for summer	Additional cost/budget pressure		1,000	25	250
ACCOUNTABLE BODIES	Risk of non-delivery of projects leading to Council having to act as under-writer	Monitoring of accountable body activity	Accountable body work higher profile	Additional cost/budget pressure	Partnership register	50,000	2	1,000
OLDER ADULT DEMOGRAPHIC GROWTH	Increased demand for social care services from older people	Estimated increase in Cumbrians aged over 65 derived from census data. Assumptions based on current mix of care provision	Modelling has been used for past two years giving a degree of assurance to the figures. There is, however, a degree of uncertainty as there is a range of factors that can influence the number of people receiving care, the type of care provided, the cost of these services, and the fees and charges received from service users towards their	Gross expenditure on older adults services is £108m. A 2% variance in the number of people supported would give a £2m risk.	Continuation of preventative agenda. Close working with the PCT. Continuation of the modernisation agenda.	2,000	50	1,000
LEARNING DISABILITY POOLED FUND	Increased demand for social care services from people with learning disabilities. Reduction in funding from PCT for learning disability services.	Mental Health Strategies produced a report on the LD economy in 2006 outlining investment required into LD services and efficiencies that the service would need to deliver.	Medium term budget currently assumes a linear increase in the number of people with learning disabilities across the LD economy. LD has delivered on its efficiency plans in the past 2 years. However, this service has overspent in the past and there is a national issue on funding for this service group. There is an increasing need for high cost care.	LD service have a gross budget of £44m of which the PCT contributes approx 50%. If the PCT were to limit their contribution and there were an increase in the number and size of care packages to be funded, there could be a potential risk of £2m		2,000	50	1,000

BUDGET RISK ANALYSIS

BUDGET HEADING	RISK	BASIS OF CORE ASSUMPTION	COMMENTARY	EFFECT ON BUDGET	OTHER MEASURES TO MITIGATE RISK	WORST CASE £000	LIKELIHOOD %	ESTIMATED RISK £000
ACADEMIES		£200k budgeted for each academy for redundancy costs	Current programme shows £200k per academy is not being breached	Potential overspend, but not possible to quantify	Redeployment policy in place	200	50	100
LOOKED AFTER CHILDREN	Increasing cost of care packages	Volatility of care packages			Monitoring and careful management of care packages	1,000	50	500
NON PAY INFLATION	Inflation estimate not adequate	Provision for general non pay budgets and additional inflation included in determining initial budget gap	Provision for non-pay inflation based on forecasts of RPI(X). However, there have been significant variations in inflation forecasts in recent months, with latest forecasts suggesting very modest inflation or even deflation	0.5% variation in other inflation has an effect of a further £0.7m .	Different indices have been used in the budget where inflation pressures are likely to be materially different e.g. Baxter indices used for waste disposal and highways budgets. These indices are also subject to significant variation - Baxter down from 12% to 8% in November and may fall further in December. Inflation forecast updated as part of final budget preparation	1,000	50	500
PAY INFLATION	Inflation estimate not adequate	Provision for pay award at 2%	Recent pay offers have been within the budget assumption. 2008/09 2.45% pay award still subject to arbitration so paybill could still increase with retrospection back to April 2008.	0.5% variation in pay award has an effect of approximately £0.7m.		700	40	280
INTEREST BUDGET	Investment Balances + rates of return.	Assumed investment returns reflect market views and views of treasury management advisors. Balances are based on budgeted assumptions.	The net creditors estimate is the least certain element of the forecast because it does not flow directly from other budgeted figures. The reasonableness of the estimate has been checked against actual amounts reported in the statements of accounts in recent years. Falling interest rates and the timing of equal pay settlements add to uncertainties	0.25% variation in return on investments is £240k. Each £1m variation in investment balances has effect of approximately £15k.	Inclusion of £2.8m contribution to Equal Pay and insurance reserve. Currently estimating an underspend of £1.5m for 2008/9	1,000	20	200
SINGLE STATUS	Ongoing costs of settlement, including pay protection	Single status discussions ongoing	MTFP has created £11m revenue headroom to finance borrowing costs for equal pay and ongoing costs of single status. Effective pay modelling contingent on resolving data issues. New approach of pay benchmark forecasts being introduced	Implementation of revised pay and grading structure could add to resource pressures	Detailed analysis of pay modelling results and affordability	2,000	10	200

BUDGET RISK ANALYSIS

BUDGET HEADING	RISK	BASIS OF CORE ASSUMPTION	COMMENTARY	EFFECT ON BUDGET	OTHER MEASURES TO MITIGATE RISK	WORST CASE £000	LIKELIHOOD %	ESTIMATED RISK £000
ICT OVERALL SPEND AND MAJOR PROJECTS	Historical issues in scope and basis of Agilisys contract and service level ICT costs	Up to £350k identified recurring cost pressures.	Pressures identified in the range of £200k to £350k but uncertainty on possible outcomes	Recurring cost pressures and possible overspend.	Ongoing review of IT contracts outside the Agilisys contract to determine necessity. Review of service budgets to establish budget options	350	50	175
	HR/ICT projects over-run	Extension of project timetable to account for year-end and risks on payroll service/shared service implementation	Ongoing work to minimise costs/project delivery	Additional payroll service and project costs and deferred savings	Project management/review by project board and continued commercial negotiations with Capita & Agilisys	1,000	25	250
PROCUREMENT SAVINGS	Savings are insufficient to cover the cost of delivery of the e-procurement project	Significant savings included in e-procurement as basis for funding/repaying investment	Uncertainty on project timetable/delivery of savings		Moderate benchmark savings included in business cases	3,250	25	813
DELIVERY OF CROSS-CUTTING SAVINGS	Savings identified are either not realised or only partially realised	Cross cutting service reviews included in budget proposals	£3m+ included in budget proposals. Detailed work required to ensure delivery of all proposals	Savings not delivered	Agreement on apportionment bases	2,000	25	500
COLLECTION FUND SURPLUSES/COUNCIL TAX BASE	Deficits on collections and reduced council tax base	Forecasts from district councils	In light of credit crunch, district councils are identifying shortfalls on their collections, rather than surpluses. Also council tax base not expected to grow at recent rates	Budget pressures from shortfall in collections and constant, rather than growing, tax base	Monitoring/liason with district councils	3,000	50	1,500
REVENUE SUB TOTAL						80,500		9,768

BUDGET RISK ANALYSIS

BUDGET HEADING	RISK	BASIS OF CORE ASSUMPTION	COMMENTARY	EFFECT ON BUDGET	OTHER MEASURES TO MITIGATE RISK	WORST CASE £000	LIKELIHOOD %	ESTIMATED RISK £000
CAPITAL PROGRAMME								REVENUE IMPACT OF ESTIMATED RISK
Capital programme	Programme costs not affordable; finance not available for major projects requiring private sector financing; project management difficulties with individual projects	Consideration of overall £c75m capital programme			Formulation of capital programme and rescheduling of programme in light of difficulties	10,000	20	200
Specific capital projects								
ACADEMIES	Delay to schemes due to unforeseen circumstances (presence of bat colony in one site due for demolition giving rise to six month delay)					30,000	7.5	225
CAPITAL RECEIPTS	Shortfall in capital receipts available to finance capital programme in a falling property market				Scheduling of capital receipts	2,000	25	50
					CAPITAL SUB TOTAL	42,000		475
PROVISION FOR BUSINESS CONTINUITY AND CASH MANAGEMENT			Meeting the costs of extraordinary events such as flooding, foot and mouth. Such events can cost £2m each					2,000
					GRAND TOTAL	122,500		12,243

Cumbria County Council: Value for Money Strategy

Introduction

Since 2005, value for money has had a raised profile as part of the Audit Commission's Use of Resources judgement, feeding into our overall CAA ratings for 2009. This paper sets out Cumbria County Council's strategy for delivering value for money. It details our approach to value for money, bringing together existing practice within the Council and highlighting areas for continued development. The paper covers the Council's vision and objectives for driving value for money, what is meant by value for money, the methodologies employed by the Council in delivering value for money, and the processes used to monitor and evaluate value for money achievements. Whilst a clear strategy is a prerequisite for delivering value for money, it is vital that the Council embraces the strategy in all its activities and processes and that value for money is a key part of the Council's organisational culture. The paper begins by examining the Council's value for money achievements in recent years.

Cumbria County Council's value for money achievements

Cumbria County Council's record of delivering value for money has improved significantly in recent years, although this has not yet been translated into a three star CPA achievement, with Children's Services and Use of Resources currently assessed as 2s.

Our direction of travel assessment for 2008 has been well received, reflecting the Council's significant progress in terms of relative performance. Cumbria is ranked 5th of all 388 English local authorities in terms of overall performance improvement for 2007/8, with 78% of performance indicators showing improvement.

In more detail, the Council was ranked first for improvement for sustainable communities and transport; regulation; and safer and stronger communities. Older People and Healthier Communities and Children's Services were ranked 13th and 20th out of 150. The Council is in the top third for performance improvement over three years.

While the overall Use of Resources assessment remained a 2, there was significant progress. Eight of the 11 KLOEs were assessed as 3s, compared with only 2 in 2007. This step change in performance was very much what was targeted and demonstrates the delivery of much of the Use of Resources action plan. It was particularly gratifying to record 3s for both elements of the value for money assessment.

Any assessment of value for money has to take account of Cumbria's context: its sparsity and rurality, which add to increased service delivery costs; its ageing population, which increases service pressures, particularly for Adult Social Care; and its relative economic performance, where there are areas of significant deprivation, particularly in West Cumbria, highlighting the need for regeneration and investment in the economy. Cumbria County Council has also responded to the need for improved performance across a range of services in the light of inspection reports

and has developed an effective performance management framework, recognised as a growing strength by the Audit Commission.

Key improvements and achievements include:

- During 2007-08 Cumbria County Council has worked with its partners to develop a clear vision, a refreshed Community Strategy to energise:
 - safe strong and inclusive communities
 - health and well being throughout life
 - a sustainable and prosperous economy
 - effective connections between people and places
 - world class environmental quality.
- Our Local Area Agreement commits key partners to focus resources on delivering our vision – with clear short to medium indicators of success. This is driving action – so far 79% of Cumbria’s LAA indicators are showing improvement - 68% are on track to hit their target and 12% are within 5% of target. Early forecasting by lead officers suggests 10 out of 12 stretch targets in the first LAA are on track to achieve maximum reward grant.
- The Council Plan identifies five top service improvement priorities responding to the Community Strategy and Cumbria Agreement. Accelerated performance improvement is evident in each of these areas:
 - **Waste minimisation:** we are now best in class for County Councils for the rate of decrease in household waste collected with a strong partnership delivering real outcomes. The reduction in household waste collected is equivalent to savings of £3m in landfill charges.
 - **Children and young people:** we now show top quartile performance across a range of measures and we are investing in modernised, reconfigured services based on localities. There has been strong improvement in educational attainment and a narrowing of the gender gap.
 - **Older adults:** a third of indicators are now in the top quartile and over two thirds are above the national average – an improvement which should be seen in the context of a partnership based reconfiguration of care services.
 - **Road safety:** we are on track to exceed the 40% reduction in Killed and Seriously Injured by 2010 through a strong partnership which is influencing driver behaviour.
 - **Customer service:** award of Level 3 of the Equality Standard (a step change from Level 1) and National Community Empowerment Champion show external validation of commitment and success. Improved satisfaction scores in relation to key services are not yet fully reflected in overall satisfaction with the Council but there has been significant improvement in satisfaction with individual services: Social services up from 61% to 69%; Education up from 73% to 81% and Fire up from 91% to 95%. A comprehensive customer access strategy is being delivered in partnerships and producing results – a programme of ‘Local Links’ in key

service centres has now been launched with the first in Alston reflecting our response to Cumbria's unique pattern of communities .

- The Council exceeded the Gershon targets with its cashable efficiencies alone, enabling £2.4 million to be carried forward to the new efficiency regime. It expects to be close to target for 2008/9, the first year of the new efficiency regime, and is developing its approach to efficiency as part of the 2009/10 budget.
- The Council has sought to improve its value for money processes by undertaking targeted review work as part of its commitment to delivering value for money. It reviewed areas which are relatively high cost in preparing recent budgets and has embarked on wide ranging service reviews and cross cutting work as part of its financial strategy for dealing with the pressures of equal pay. The Council has regularly commissioned external reviews of the Audit Commission's vfm profiles and efficiency statements to ensure there is rigorous external challenge and participates in benchmarking activities through for example PwC's benchmarking club and the Society of County Treasurers. External review highlights the scope for further efficiencies if the Council were to reduce its spend to the median, although the extent to which these efficiencies could be realised would need to take full account of Cumbria's context, which has been recognised in successive Revenue Support Grant settlements as generating higher unit costs per head of population for a given level of service.
- The Council has reviewed its partnership working. The Cumbria Strategic Partnership, supported by thematic and locality partnerships, has been refreshed during 2007-08, tapping into national expertise from the Leadership Centre for Local Government. In consequence, a clear community strategy and governance of the strong Local Area Agreement prioritise activity and resources in accordance with the needs and expectations of the communities of Cumbria. The Local Area Agreement has been well received, both in its conception and delivery.
- As part of its efficiency assessment, strategic partnerships are delivering significant benefits, both cashable and non cashable. The Council is leading the pan Cumbria agenda for shared services, with property and procurement reviews in the vanguard. In developing its regeneration strategy with Cumbria Vision, regeneration partnerships have been reviewed and lessons learned identified.
- The Council undertakes evaluations of its key activities. The Invest to Save and Improve programme of the 2001-2005 Administration led to major reviews of many areas of activity, aimed at service and financial benefits, with substantial programme of action. The Council has completed a value for money assessment of the programme in light of the Audit Commission's recent report.
- In recognition of the challenges presented by equal pay, the Council has developed a robust financial strategy. It has increased its resources put to one side to meet equal pay costs to £30m by March 2008, whilst maintaining appropriate general and insurance reserves. The Council has made significant

progress with its service reviews and cross cutting work, and the 2008/9 budget incorporates £9m savings and £2m capital receipts to help meet the costs of equal pay, including possible borrowing costs. The equal pay reserve is therefore expected to reach £40m by March 2009. The Council is liaising with Government, raising the profile of equal pay and the need for Government support, through networking with the Local Government Association, the Society of County Treasurers and directly with Government. Its requests for a capitalisation direction have been successful although there is no guarantee that Government would approve any roll forward of the 2008/9 direction.

- The Council has reviewed its Treasury Management arrangements and rescheduled its long term debt in March 2007, delivering one off savings of £4.2m and ongoing savings of £1m a year. Further opportunities for rescheduling will be taken when they arise in line with the Treasury Management Strategy. The Council has a strong track record of securing long term borrowing for its capital programme at the lowest rates available.
- Performance and risk management arrangements are better integrated with the Council's performance management system being used to record risks and actions to mitigate risk.
- There is a marked improvement in BVPIs, with a sustained reduction in the number of performance indicators in the bottom quartile. Such improvement provides a real return on the Council's targeted investment in areas of relatively poor performance.
- Using PwC's evaluation of a comprehensive basket of national PIs, Cumbria has jumped from 32nd out of 34 County Councils last year to 18th out of 34 in 2007-08. Many indicators have moved from lower to upper quartile performance. This rapid acceleration of improvement is a consequence of strategic capacity, focus and increased use of benchmarking against best performers.

Given Cumbria's demographic, economic and performance context, there has been an improvement in the delivery of value for money.

- As the 2nd largest county by area and the 3rd sparsest county, service delivery costs are inevitably higher than some authorities, with the Council choosing to improve access to services and user focus as set out in the Council Plan priorities.
- The Council has faced a challenging agenda of service improvement alongside a need to invest in key services which reflect the priorities of the sub-region as defined by partnership working.
- The Council has tackled this agenda with comparatively little impact on Council Tax through its successful efficiency initiatives, securing new ways of delivering services in partnership with others, both through its commercial strategic partnerships and in leading pan Cumbria collaborative work with other public sector organisations.

- Other authorities increasingly look to Cumbria to draw on our experience of developing strategic partnerships and building financial strategies for managing the risks posed by equal pay arrears. Cumbria has achieved Beacon status for a number of activities, including 14-19 year old learning and is the national lead in piloting individual budget for adult service users.

What we mean by value for money

Value for Money is defined as the relationship between economy, efficiency and effectiveness.

- **Economy** is concerned with minimising the cost of resources, whilst having regard to their quality. Examples include: the cost per hour for care worker; the rent per square metre for accommodation.
- **Efficiency** is the ratio of outputs to inputs – how much you get out in relation to what is put in. Examples include: the number of people visited per home care worker per week; kilometers of road maintained per £1,000 spent.
- **Effectiveness** is a measure of the impact achieved and can be quantitative or qualitative. Examples include: how many people were prevented by home care services from needing residential care (quantitative); satisfaction levels among different sections of the community (qualitative). Outcomes should be equitable across communities, so effectiveness measures should include an assessment of equity and the Council’s performance management system is being developed to provide analyses by locality.

This definition of value for money is embedded within the statutory duty on the County Council to deliver Best Value in the provision of its services.

Value for money approach for 2009/10

The Council Plan endorses the five themes for shaping the Council's priorities and objectives, underpinned by the overall theme of improving council service:

Wealthier	Healthier	Happier	Safer	Greener
Making Cumbria more prosperous	Improving the health and well being of adults	Improving the life chances and well-being of children and young people	Creating safe and secure communities	Creating and protecting a high quality environment for all
Better – Improving council services				

Value for money is an integral part of the Council Plan, with the ‘better’ theme highlighting the need for improved value for money and a striving for high quality services. Targets include improved performance indicators measured by analysis of a basket of PIs, achievement of efficiency savings, and realisation of benefits from investment in ICT, HR and our strategic partnerships. The Council Plan sets out the organisation’s core values, including valuing performance with its endorsement of excellence and quality, striving to perform at or above the levels of the best, providing the best possible results for the people of Cumbria and improving through learning.

Challenges and risks

Each year the County Council analyses internal and external challenges as part of its medium term planning and risk assessment. The key issues relating to value for money are:

- Financing retrospective equal pay claims and implementing job evaluation/single status
- Ever rising user expectations about public services
- A demographic profile that is creating additional demands for services for older people
- Growing pressures in waste management and highways
- Delivering services in a sparsely populated, largely rural county
- Government targets on efficiency which have become more demanding in light of the 2007 Comprehensive Spending Review and the November 2008 Pre Budget Report
- Prospects of relatively lower levels of funding for local government and pressure to keep Council Tax low – ‘significantly under 5%’. Where capping has been introduced, the expectation is that authorities will need to set council tax increases at 3%.
- Ring-fencing of funding - particularly in relation to spending on education

Vision for a VFM Strategy

All the Council’s services and processes deliver value for money to the residents of Cumbria.

Aims – what value for money means for people who use our services

By providing value for money in Cumbria we will ensure that:

- Our services are fit for purpose, that is they are of the right quality.
- We deliver our services as efficiently as possible, keeping Council Tax rises to within Government guidelines.
- We make the best use of technology, without disadvantaging people who need face-to-face contact.
- We deliver our services as close to people's homes and work as possible, recognising that we live in a county which is predominately rural.

- We listen to what people tell us and make a special effort to reach people who cannot easily express their views and plan our services in the light of what we hear.
- We always seek the best price we can having full regard to the quality of what is being provided.

Strategic Objectives - how we deliver value for money

1. To make best use of service and financial planning

The Council Plan sets out our medium term financial and service objectives for three years. It provides the strategic direction and context for annual business planning leading to decisions about resourcing priorities and setting the Council's budget following extensive consultation and challenge.

2. To deliver the efficiency programme

We have a target of achieving £30m efficiency savings over the three years 2008/9 to 2010/11. In addition recent budgets incorporate the results of service reviews where we expect to find savings of £9m a year to help fund equal pay arrears and implementation of job evaluation/single status. We have added external challenge to our efficiency drive through commissioned analysis of areas of relative high spending. We are continuing this challenge through participation in PwC's benchmarking of local authorities, promoting comparison with other authorities and private sector organisations, building on knowledge and expertise from within and beyond the public sector.

3. To maximise benefits from our strategic partners

The Council has well established strategic partnerships with Capita, Amey and Agilisys. These partnerships have contributed to the Council's efficiency programme in recent years and further efficiencies are built into the contracts.

4. To ensure that benefits are realised from investments in ICT and HR

The Council has invested significantly in ICT and HR and there is a need to ensure that the benefits identified in business cases are fully realised.

5. To ensure we have a clear corporate approach to commissioning and procurement and deliver procurement savings, including e-procurement

Procurement decisions should be made in line with the Council's corporate procurement strategy. The Corporate Procurement Unit provides support and guidance for all services to ensure the best possible price and quality for goods and services we purchase. We are targeting additional procurement savings in excess of £1m in 2009/10, on top of the significant recurring savings achieved in recent years.

6. To deliver the outcomes included in the Council Plan for front line services

The Council Plan and the Medium term Financial Plan detail the outcomes required for our front line service. Progressing these outcomes will be a critical part of our

being able to demonstrate value for money.

7. To ensure the capital programme is effectively delivered and financed with interest costs minimised

We have a fully-costed and sustainable programme of capital investment linked to clear priorities in the Medium Term Plan. Our capital programme is prioritised and funded through a balanced portfolio of supported borrowing, prudential borrowing and other external funding, including Private Finance Initiatives. The Council's Treasury Management function has been highly effective, ensuring that the capital programme is funded and that interest costs are minimised. We have rescheduled the County's long term debt, delivering one off savings providing a significant one off benefit to support equal pay reserve and annual savings in excess of £1m.

8. To undertake a rigorous evaluation process of challenge and scrutiny

The Council endorses the need for effective evaluation of value for money. The Council's performance management system provides a framework for monitoring performance indicators and milestones, with regular reporting to Council, Cabinet, and management. The system is being developed to provide analyses at local level. Scrutiny and the Audit Committee, the Audit Commission and internal audit, together with management, all have a role to play in evaluating whether the Council has achieved value for money. There is a need to ensure that these various reviews are complementary so as to maximise the benefit from evaluation activity.

Action plan and performance indicators

Annex A provides a draft action plan for 2009/10 against these eight objectives. Quarterly updates will be provided to Cabinet and the Corporate Management Team.

We will draw on the following indicators to track whether we are delivering the value for money strategy:

- Analysis of BVPIs showing proportion improving and comparison with other authorities
- Audit Commission's use of resources judgement, including achievement of an overall 3 building on the level 3 value for money assessment in 2008
- Efficiency savings and targets (as part of the Efficiency Programme)
- Benchmarking key services with other authorities
- Monitoring of benefits realisation in major projects.

Embedding value for money in the organisational culture

Having a clear strategy is a prerequisite for delivering value for money but what is also needed is the transformation of that strategy into actions that permeate throughout the organisation, helping to shape an essential part of its culture.

One approach to embedding value for money is to ensure that there are clear processes, which set out requirements for demonstrating value for money, and that these are consistently followed. The Council's Constitution and Financial Procedures already detail processes for securing value for money in areas such as use of resources and procurement. Management review, together with audit activity, should provide assurance that there is adherence to the Council's agreed processes.

More generally there is a need to ensure that value for money is fully addressed in any report to Cabinet and other committees. Where there is a request for additional resources, there should be a clear articulation of the intended outcomes flowing from the additional resources. Business cases should set out the expected costs and savings and non-monetary benefits/impacts, together with a clear phasing of these various monetary and non monetary flows. The evaluation framework should be identified from the outset so that it is clear what tests would be regarded as demonstrating value for money.

We have drawn on relevant analyses of comparators and benchmarking and recognise the continuing scope for further development. There is a wealth of comparative statistics, which should be used to promote comparisons with other counties and family authorities, and we should utilise the results of more detailed benchmarking, including best of class organisations from outside the local authority and public sector environment. We need to be more analytical and objective in our approach to comparators, where benchmarking is the prompt for a series of intelligent questions on how best to improve performance, including business process reengineering. Variances can either be cogently explained and justified, showing that we are delivering value for money despite higher costs, or we need to draw up clear recommendations for tackling cost and performance weaknesses, removing performance gaps so as to free up resources for other uses and securing improvements in the delivery of value for money.

In these ways we are developing a full appreciation of value for money which is embedded throughout the organisation and is helping to shape the Council's culture and to drive the improvement programme.

Strategic Objective	Action
1. Medium Term Financial Plan	<p>Identify key service areas for further budget review to inform strategic budget decisions, as part of the corporate planning process</p> <p>Extend analysis of comparative costs and performance to identify high cost/lower performing services for potential review through PwC and other benchmarking/external consultancy</p>
2. Efficiency programme	<p>Deliver efficiency targets and ensure budget savings achieved</p>
3. Strategic partnerships	<p>Ensure commercial strategic partnerships deliver further savings and wider partnerships deliver agreed outcomes</p>
4. Cross cutting and ICT HR	<p>Ensure benefits highlighted in ICT and HR business cases fully realised</p>
5. Corporate procurement	<p>Ensure procurement targets are met</p> <p>Ensure corporate procurement standards adhered to across the organisation</p>
6. Council Plan outcomes	<p>Deliver Council Plan outcomes with top level monitoring of key targets and activities</p>
7. Capital programme	<p>Develop capital monitoring and complete Treasury rescheduling exercise</p> <p>Revise capital strategy in light of property review work</p>
8. Performance management and evaluation	<p>Ensure performance management system is fully embedded, and that there is integrated coverage of performance, finance and risks</p> <p>Ensure evaluation activity is appropriately coordinated so as to maximise benefits</p>

Efficiencies included in the Medium Term Financial Plan:

		2009/10	2010/11	2011/12
		£000	£000	£000
Cross cutting	Consultants	(425)	-	-
Cross cutting	Venue hire	(375)	-	-
Cross cutting	Videoconferencing	75	(175)	-
Cross cutting	Organisation review phase 2	(250)	-	-
Cross cutting	Records management	-	(125)	-
Cross cutting	Office & property rationalisation	(100)	-	-
Cross cutting	Energy efficiency	(160)	-	-
Cross cutting	Amey mid-term review	(500)	-	-
Cross cutting	Agilisys mid-term review	(200)	-	-
Cross cutting	Capita Annual Efficiencies	(300)	-	300
Cross cutting	Commercial partnerships re-provision	-	-	(1,000)
Cross cutting	External Shared services	(50)	(150)	(100)
Cross cutting	Premises	(500)	-	-
Cross cutting	Locality working	-	(200)	-
Cross cutting	Restricting essential car user	(300)	-	-
Cross-cutting	Recruitment Advertising	(100)	-	-
Cross-cutting	Two colour policy document template	(10)	-	-
Cross-cutting	Centralisation of communication function	(20)	(40)	(15)
Cross-cutting	3C Studio Efficiencies	(40)	-	-
Cross-cutting	Vacancy Management	(50)	-	-
Cross-cutting	Multi function devices (copiers/faxes)	(100)	-	-
Cross-cutting	Post collection	(80)	-	-
Cross-cutting	Bottled water contract	(30)	-	-
	Removal of new policy budget	(103)	-	-
Chief Executive	LSP Support	(36)	-	-
Chief Executive	Efficiencies	(45)	-	-
Chief Executive	Cease Sponsorship of Business Gazette	(15)	-	-
Organisational development	ICT client team	(47)	-	-
Organisational development	ICT client team - duplicate PCs	(86)	-	-
Organisational development	HR - reduced use of equality works	(14)	-	-
Organisational development	Vacancy Bulletin	(13)	-	-
Resources	Finance and Audit	(50)	-	-
Resources	Member Services (five proposals)	(150)	-	-
Resources	Legal Services	(200)	-	-
Resources	Centralise procurement function	(100)	-	-
	Improving Total	(4,374)	(690)	(815)

Adults & Cultural Services	Transport eligibility	(50)	-	-
Adults & Cultural Services	Review structure of social care teams	-	(50)	(50)
Adults & Cultural Services	NHS continuing care	(70)	-	-
Adults & Cultural Services	Aftercare services	(50)	-	-
Adults & Cultural Services	Equipment services	(25)	(25)	-
Adults & Cultural Services	Supporting People	(25)	-	-
	Adults Total	(220)	(75)	(50)
Childrens Services	General efficiencies	(600)	-	-
Childrens Services	Business support	(225)	-	-
Childrens Services	Grants Administration	(815)	-	-
Childrens Services	SEN management and	(50)	-	-
Childrens Services	Looked after children management - improved efficiency	(100)	-	-
Childrens Services	Pensions	(140)	-	-
Childrens Services	Management posts	(70)	-	-
	Children's Total	(2,000)	-	-
Communities	Fire Service 3 Operational Staff	(45)	-	-
Communities	Fire Service 11 vehicle replacement	(76)	(19)	-
Communities	Fire Service: Supervisory Manager	(125)	(125)	-
Communities	Community Unit Management Support Costs	(20)	(15)	(15)
Communities	Community Unit Infrastructure Support	(73)	-	-
	Safe & Secure Total	(339)	(159)	(15)
Environment	Establishment of Environment Directorate	(50)	-	-
Environment	Waste Minimisation Publicity	(350)	-	-
Environment	Use of Planning Delivery Grant	(80)	-	-
	Environment Total	(480)	-	-
	Total	(7,413)	(924)	(880)
	Cumulative Impact	(7,413)	(8,337)	(9,217)