



**REPORT OF: EXECUTIVE MEMBER, RESOURCES  
ON BEHALF OF THE LABOUR GROUP**

**TO: COUNCIL**

**DATE: 31<sup>st</sup> January 2013**

**PORTFOLIOS AFFECTED: ALL**

**WARDS AFFECTED: ALL**

---

**SUBJECT: Preparation for Budget 2013/14 and Medium Term Financial Strategy  
2013-2016**

---

**1. PURPOSE**

1.1 To recommend to Council, following receipt of the provisional Local Government Finance Settlement on 19<sup>th</sup> December 2012, early budget savings proposals which support the Budget Strategy and the Council's priorities as agreed at Policy Council on 30<sup>th</sup> August 2012 in advance of the Revenue Budget 2013/14, Medium Term Financial Strategy 2013-16 and the Capital Programme 2013-16 being set at Finance Council on 4<sup>th</sup> March 2013.

**2. RECOMMENDATIONS**

Council is recommended to:

- 2.1 Approve the early budget savings proposals for the Revenue Budget 2013/14 and 2014/15 outlined in this report.
- 2.2 Note that staff will be put at risk of redundancy in a number of service areas as a consequence of these proposals in consultation with the relevant Trade Unions.
- 2.3 Approve in principle a freeze on the borough element of Council Tax rates for 2013/14 subject to this being offset by additional specific government grant funding of around £500,000 in each of the next two financial years 2013/14 and 2014/15 which is equivalent to a 1% increase in council tax from 2013/14.
- 2.4 Note that Finance Council on 4<sup>th</sup> March 2013 will approve the Revenue Budget for 2013/14, the Medium Term Financial Strategy 2013-16, the Capital Programme 2013-16 and the consequent level of Council Tax for 2013/14.

### 3. BACKGROUND

- 3.1 As reported previously, this Council has faced unprecedented severe reductions in funding following the Comprehensive Spending Review (CSR) 2010, and subsequent Local Government Finance Settlements. The 2010 and 2011 Local Government Finance Settlements published details of the funding allocated to individual local authorities for 2011/12 and 2012/13, (the first two years of the 2010 CSR period). Blackburn with Darwen Council (BwD) received government funding from Formula and Specific Grants of £94.8M in 2012/13 whereas it had previously received £133.2M in 2010/11; a reduction in government funding of £38.4M or 28.8% in just two years.
- 3.2 Following receipt of the Local Government Finance Settlement in 2010, the Council took swift and decisive action, approving early budget savings options in January 2011. The Council also undertook extensive public consultation and developed a two year budget strategy. This was approved at Finance Council in March 2011. The Council subsequently reviewed its plans on receipt of the 2011 Local Government Finance Settlement and approved the 2012/13 budget and amended the Medium Term Financial Strategy (MTFS) in March 2012.
- 3.3 This early and decisive action taken in January 2011 has enabled the Council to deliver its savings targets for 2011/12 and 2012/13. In March 2012, in the absence of detailed information on the likely finance settlements and associated government grant funding levels, the Council revised its MTFS to incorporate three scenarios for 2013/14 and 2014/15. The Worst Case Scenario estimated a budget gap or shortfall of £27M by 2014/15. Based on this Executive Members and senior officers then prepared a range of budget options, amounting to reductions of around 20% across all portfolios which would enable a balanced budget to be set in March 2013.
- 3.4 Since CSR 2010, the government has developed proposals to fundamentally change the financial framework governing Local Authorities. Among the proposals are:
- The development of Local Council Tax Support Schemes replacing the national Council Tax Benefit scheme (and with overall funding reduced by 10%)
  - The development of a Business Rates Retention Scheme allowing local authorities to benefit from increases locally in Business Rates income but sharing the risks of any reductions.
  - Changes to the funding of schools and education, with additional funding streams being transferred out of Formula Grant and included in Dedicated Schools Grant (DSG) or a new specific grant known as "LACSEG" or Local Authority Central Spend Equivalent Grant
  - The transfer of responsibility for the majority of Public Health functions (and the associated funding) from NHS Primary Care Trusts to Local Authorities
  - The transfer of responsibility (with a reduced level of associated funding) for the Crisis Loans and Community Care Grants elements of the Social Fund from the Department of Work and Pensions (DWP) to Local Authorities.

3.5 Local Authorities and their residents will also be affected by other government reforms such as:

- The introduction of Universal Credit and changes to housing benefit including the “Welfare Cap” and “Bedroom Tax”.
- Significant structural changes to the NHS including the creation of Clinical Commissioning Groups (CCG’s) and a National Commissioning Board, leading to the abolition of Primary Care Trusts (PCT’s).

The government reforms currently being progressed have a significant cumulative effect in places such as Blackburn with Darwen. For example, it is currently estimated that welfare reform will have the following impact: -

- 11,826 households of working age will be affected by the changes to Council Tax Benefit/Support
- 68 families with 329 children will be affected by the ‘Welfare Cap’ with 33 families losing more than £60 a week; and
- 1,930 properties are deemed under occupied (this affects tenants of working age claiming housing benefit in Registered Social Landlord (RSL) properties)

Similarly, despite significant improvements in our schools’ performance since unitary status in 1998, increasing numbers of academies and free schools are being encouraged with no consideration for pupil place planning and the impact on demand for places, including within brand new BSF (Building Schools for the Future) schools.

Likewise, Health reforms have forced the expensive and unnecessary break up of the ‘Care Trust Plus’ joint arrangement between the PCT and the Council which was delivering efficiencies, shared management, other shared services and improving outcomes.

In addition to costs of implementation and transition, perhaps of most concern is the devolving of financial risk to local authorities without sustained transitional support.

In December 2012, the Chancellor announced in his Autumn Statement that further cuts would be required to reduce the deficit nationally. He set overall plans for public spending in 2015/16 and 2016/17 in line with spending reductions over the CSR 2010 period. In addition Local Authorities are now required to find further savings of 2% in 2014/15. A further CSR will be undertaken in 2013.

The Department of Communities and Local Government (DCLG) subsequently published the provisional Local Government Finance Settlement on 19<sup>th</sup> December 2012. Further information and details including revisions and amendments have emerged over the last few weeks with the ring fenced Public Health funding only being announced on 10<sup>th</sup> January 2013. No indicative allocations have yet been published for 2015/16 or 2016/17.

The analysis of the provisional Local Government Finance Settlement and pressures the Council faces now confirms that budget reductions of up to £30M will be required by 2014/15. Given the extent of these reductions and previous experience in 2011/12 (when swift, decisive and successful action was taken) this Council is once again asked to consider a number of early budget savings options.

#### **4. RATIONALE**

- 4.1 The Council is required to set a balanced budget for 2013/14 by March 2013. Reductions over the next two years of the scale indicated by the settlement will take time to plan, consult appropriately, implement and deliver. Therefore some early decisions on savings options are required in advance of Finance Council to enable financial savings to be maximised in the first year 2013/14.

#### **5. KEY ISSUES**

- 5.1 Local Government Finance Settlement.

The provisional Local Government Finance Settlement was finally published, somewhat later than usual, on 19<sup>th</sup> December 2012 and unfortunately set out more extensive reductions in government funding than envisaged even in the Council's MTFs worst case scenario. Revisions and amendments have been published during January as have details of other specific grant awards and funding allocations. Disappointingly further supporting information is still awaited, particularly in respect of adjustments to the 2012/13 baseline for comparison and some of the supporting detail for the 2014/15 indicative allocations.

##### *Spending Power*

Provisional figures have been provided for 2013/14 and 2014/15. The government have identified that BwD would face a reduction in its 'Spending Power' of 1.7% in 2013/14 followed by a further reduction of 5.7% in 2014/15, i.e. a total reduction of 7.4% over the two year period from 2012/13 to 2014/15. The government based this calculation on the following information:

	2012/13 Adjusted Baseline £M	2013/14 Spending Power £M	Change in Spending Power £M	2014/15 Spending Power £M	Change in Spending Power £M
Council Tax	50.07	50.07	0	50.07	0
Formula Grant	76.98	75.52	-1.46	77.85	+0.87
Council Tax Freeze Grant 2011/12	1.26	1.26	0	1.26	0
Council Tax Support Funding	10.93	10.91	-0.02	0	-10.93
Early Intervention Grant	9.9	8.62	-1.28	8.07	-1.83
Homelessness Funding	.11	.11	0	.11	0
Flood Defence	.12	.12	0	.12	0
Learning Disability Funding	4.22	4.33	.11	4.44	.22
LACSEG	-3.40	-3.40	0	-3.40	0
Council Tax Freeze Grant 2012/13	1.25	0	-1.25	0	-1.25
Council Tax Freeze Grant 2013/14	0	0.5	0.5	0.5	0.5
Social Fund Admin	0.15	0.14	-0.01	0.13	-0.02
New Homes Bonus	0.32	0.38	0.06	0.44	0.12
Other	0.17	0.17	0.00	0.17	0.00
NHS funding for social care	1.94	2.74	0.80	2.87	0.93
Total	154.02	151.48	-2.55	142.63	-11.39
% Change			-1.7%		-7.4%

However this assessment of reductions in Spending Power incorporates several adjustments to the funding the Council actually receives in 2012/13, the detail and explanation of such adjustments has not yet been provided in full. It also contains anomalies such as double-counting arising from the inclusion of Council Tax Benefit within the £50M figure for Council Tax stated as it is in 2012/13 as well as the inclusion of Council Tax Support (which replaces Council Tax Benefit and does not exist in 2012/13 and which will lead to a reduction in the amount of Council Tax collected).

#### *Government grant funding*

The following table sets out the actual reduction in general government funding received in 2012/13 and that proposed for 2013/14 and 2014/15. It excludes Council Tax Benefit/Support, the new responsibilities for Social Fund (both administrative and programme costs) and funding for Public Health and the NHS funding for social care.

	2012/13 Actual Government Funding £M	2013/14 Provisional Government Funding £M	Change in Government Funding £M	2014/15 Provisional Government Funding £M	Change in Government Funding £M
Formula Grant (adjusted for Council Tax Support in 2014/15)	76.06	72.11	-3.95	63.57	-12.49
Council Tax Freeze Grant 2011/12	1.26	1.26	0	1.26	0
Early Intervention Grant	12.14	8.62	-3.52	8.07	-4.07
Homelessness Funding	.13	.11	-.02	.11	-.02
Flood Defence	.15	.12	-0.03	.12	-.03
Learning Disability Funding	4.21	4.31	.10	4.43	.22
LACSEG		3.02	3.02	3.02	3.02
New Homes Bonus	0.32	0.38	0.06	0.38	0.06
Benefits Admin Grant	1.47	1.27	-0.20	1.27	-0.20
Council Tax Freeze Grant 2012/13	1.25	0	-1.25	0	-1.25
Council Tax Freeze Grant 2013/14		.50	.50	.50	0.50
Other	0.31	0.29	-.02	0.29	-.02
Total	97.30	91.99	-5.31	83.02	-14.28
% Change			-5.5%		-14.7%

### *Council Tax*

It should be noted that should Finance Council agree to no increase in Council Tax in 2013/14, then the authority will receive Council Tax Freeze Grant of £0.5M assumed in the table above (equivalent to a 1% increase in Council Tax) in 2013/14 and 2014/15.

### *Education funding*

Another adjustment to Formula Grant has been made in respect of funding for schools and education. As part of the funding settlement central Government have announced that a new grant, the Education Services Grant (ESG), will replace the LA Block element of LACSEG for Academies, and the corresponding element of local authority revenue funding, from 2013-14.

In order to establish the new ESG, money has been transferred from local government revenue funding on a per-pupil basis.

Based on current information and the number of academies within Blackburn with Darwen it is estimated that BwD's revenue funding allocated via DCLG has been reduced by £3.37M for 2013/14. Of this reduction approx. £3.01M will be re-allocated to BwD via the new Education Service Grant.

In addition it is proposed that further adjustments will be made as and when schools become Academies during the 2013/14 financial year.



Local Authorities (LAs) will continue to be allocated funding through the Dedicated Schools Grant (DSG) based initially on previous funding levels, but from April 2013 DSG funding will be allocated in three notional blocks:

- *Schools Block*
- *High Needs Block*
- *Early Years Block*

The notional blocks will not be ring-fenced and they are initially based on planned spend in 2012/13. Current estimates indicate that DSG for 2013/14 will be £126.74M (2012/13 allocation was £124.13M). The increase primarily relates to additional costs that have to met from DSG for :-

- Funding for 2 year old provision - £1.89M
- Funding for post 16 SEN provision - £0.95M

Funding for the Pupil Premium is allocated to LAs to passport directly onto schools to support the education of the most deprived and vulnerable learners. It is estimated that the Pupil Premium will be £6.8M (2012/13 allocation was £4.7M).

#### *Council Tax support funding*

The government has indicated that this Council will receive a grant of £10.9M in respect of the new Local Council Tax Support Scheme. It is estimated that the Police and Fire Authorities will also receive grants totalling £1.7M towards the costs of the discounts resulting from this scheme in BwD. In 2011/12 the Council received Council Tax Benefit subsidy of £14.4M meaning that the new grant support is a reduction in funding of around £1.8M.

#### *Social Fund*

The government has also indicated that it is providing a new grant of £781k in 2013/14 towards the programme and administrative costs of the Social Fund (formerly the responsibility of the DWP). Charitable organisations have commented that this represents a reduction of around 14% against current spend.

#### *Public Health*

On 10<sup>th</sup> January 2013, again later than anticipated, the Department of Health (DH) announced the ring-fenced Public Health Grant available over the next two years to local authorities in England to discharge their new public health responsibilities. BwD will receive £12.8M in 2013/14 rising to £13.1M in 2014/15. This is an increase of £1.2M on the interim amounts that were published in June 2012. Part of the increase (£0.7M) relates to corrections of baseline population figures following the release of 2011 census data, and the subsequent amendments to weighted population calculations (£143k) and part (£348k) relates to a 2.8% above inflation growth increase to enable local authorities to invest further in health and the prevention of illness through commissioning of services that meet the needs of the local population.

There are however some additions to the responsibilities for public health that have come as part of the final allocations that need to be reflected in the business plans and committed expenditure.

#### *Health funding for social care*

On 19<sup>th</sup> December 2012 the Department of Health (DH) announced the amounts that local authorities could expect to receive from the NHS under Section 256 of the 2006 NHS Act to support adult social care from 2013/14. The funding transfer will be carried out by the NHS Commissioning Board and BwD will receive an allocation of £2.7M for 2013-14. This includes funding previously provided under Section 256 of £1.9M and funding for reablement services of £400-£900k which has yet to be agreed for 2012-13. Based on an allocation in the region of £620k for reablement services this year, this represents an increase of £174k or 6.8% to enable authorities to support adult social care services in the local area which also have a health benefit.

One of the conditions of transfer is that the local authority agrees with its local health partners (clinical commissioning group), how the funding is to be best used within social care and the outcomes that are to be expected from this investment, with regard to the Joint Strategic Needs Assessment for the local population and existing commissioning plans for both health and social care.

#### *Business rates*

Previously, under the system of national non-domestic rates (NNDR) business rates were collected by local authorities and paid into a central government pool. The overall income was then redistributed to authorities via the formula grant system.

Whilst rateable values and the rate in the pound (multiplier) are still determined by the valuation office and central government, and the income is still held within the formula grant system, business rates growth will in future be shared, with 49% of growth being retained by this council, up to a limit beyond which a levy would be payable to central government.

However, reductions in business rate income will also be shared, subject to a safety net. The safety net is funded nationally from levies raised.

The detailed workings of the system are not yet fully understood, with new information being issued on an almost daily basis, and the gains or losses are very much subject to the average level of gains and losses nationally. It will be some time before we are able to fully understand how changes in our local business rate collection will impact on the Council's budget.

#### *Financial risk*

As a result of these changes to the financial frameworks governing local authorities, this Council will face increased financial risks, both if the number of people claiming discounts in respect of Local Council Tax Support alters, and also should the receipts collected in respect of business rates change. The Director of Finance will take these risks into account when assessing and recommending the minimum level of reserves for 2013/14 to Finance Council.



### *Population impact*

Members are asked to note that this Council has been underfunded since 2001 due to Office of National Statistics' miscalculation of population data - due predominantly to international immigration - with the 2011 census estimate of 147,500 being 5.4% higher than the mid-2010 population estimate of 140,000 and 7.3% higher than the 2001 census estimates of 137,470. Whilst the accurate projection is being used for 2013/14 settlement calculations, there is clearly a lag effect in terms of the Council's funding baseline and legacy of unfunded demand.

## 5.2 Budget Update - Corporate and Portfolio Pressures

When preparing the MTFs for 2012/15, an assessment and estimate of the pressures the Council faces both corporately and within each portfolio was made. This is now being revised in the light of more recent experience. The significant pressures the Council will face in 2013/14 and 2014/15 include:

- Demographic pressures in social care for both adults and children's services.
- Increasing waste tonnages
- Economic pressures leading to reduced income
- Loss of income including funding from public sector partners and schools
- Inflation
- Costs of Welfare Reform including changes to Council Tax Benefit and Housing Benefit and their administration
- The financing costs of long term Capital Investment
- The use of reserves in 2012/13 to fund recurring costs

## 5.3 Budget Reduction Options

Executive Members and officers have been implementing a number of management actions over the course of the last few months in preparation for budget savings requirements to come. This includes a strong corporate vacancy management process and inviting applications from staff for voluntary redundancy and/or early retirement. These actions, among others, will enable savings to be made from the deletion of the majority of resultant vacant posts.

Following the approval of the MTFs and the expectation of further significant funding reductions, Executive Members and Officers have reviewed all services and prepared options to deliver budget reductions of approximately 20%. Wherever possible Executive Members and officers have sought to achieve efficiencies, transform and modernise the services delivered and mitigate the impact on the residents of this borough.

The proposals include the following efficiencies (both actual and planned):

- Rationalisation of office accommodation
- Improved procurement and contract management
- Re-negotiation of existing contracts
- Reduced management in all services
- Reductions in business support services
- A more commercial approach to income generation

The Council has “transformed” some services leading to improved services for residents at a more affordable cost. The Council plans to:

- Increase use of telehealth and telecare in Adult Social Care
- Continue and grow the reablement service in Adult Social Care
- Develop supported living accommodation in Children’s Services
- Reconfigure services provided to Schools
- Modernise Customer Services with the introduction of new ICT systems

There are actual and planned changes to the delivery of services to facilitate the delivery of a more cost-effective service. These include:

- The transfer of the HR and Payroll Services to the Council from Capita
- The establishment of shared services with other public sector bodies
- The creation of innovative arrangements for service delivery with the voluntary, charitable and community bodies
- The development with the private sector of new improved facilities in Adult Social Care
- The development of child care services by the private sector in recent years.

Invest to Save initiatives which also mitigate future cost increases and financial risks are being proposed. The most significant relate to Street Lighting and Highways. All Invest to Save proposals will be subject to a detailed options appraisal and business case.

As already mentioned, the Government is implementing significant reform programmes. These budget reductions include an assessment of the impact of changes to Housing Benefit and the introduction of Universal Credit on Housing Benefit administration and Customer Services.

The proposed changes to Children's Centres will also facilitate the achievement of a legal requirement to provide a revised offer for 2 year olds.

The scale of these further budget reductions combined with those already implemented in 2011/12 and 2012/13, will inevitably lead to a significant reduction in the services provided to the residents of this borough. Executive Members are regretfully recommending that the Council proceed with the savings reductions identified in Appendix 1.

The savings currently proposed amount to £13.1M in 2013/14 increasing to £26.3M in 2014/15.

These include:

- Decommissioning of a range of Social Care services
- Changes in the in house delivery model for early help and prevention services.
- Changes to SEN (special educational needs) and discretionary Faith Transport
- Cessation of school clothing grants
- Reductions in the frequency of street cleaning and grass cutting
- Reduced opening hours for Libraries, Museums and Leisure Centres
- Reductions in subsidised bus services and community transport
- Reductions in school crossing patrols
- Reductions in funding for voluntary, charitable and community bodies

Executive Members will bring further savings options to Finance Council for approval in March 2013 which will enable a two year budget strategy to be agreed.

It is unfortunate but inevitable that there will be a number of compulsory redundancies in the coming months and therefore some staff will need to be put formally at risk of redundancy whilst consultation is undertaken and options developed.

Where staff are at risk of redundancy, it can take up to six months to generate savings. The Council has already notified the Insolvency Service that there are likely to be in excess of 100 redundancies. This requires a statutory 90 day consultation process following which some longer serving members of staff are entitled to 3 months notice of redundancy.

Open applications for ER/VR (early retirement and voluntary redundancy) will continue to be accepted and agreed where there is a financial saving to be made and all vacant posts will be reviewed with a view to deleting wherever possible.

Clearly implementing budget reductions of this scale in addition to those already implemented in recent years presents a huge challenge. It will mean that the Council will continue to undertake radical reviews across all service areas to determine the extent to which, or whether, services continue to be provided by the council.

Therefore it is essential that, where practical, decisions are made in advance of Finance Council in March to ensure that savings are maximised in the next two financial years.

Final options to deliver a balanced revenue budget for 2013/14 whilst maintaining an adequate level of reserves and the MTFs 2013-16 will be agreed at Finance Council reflecting the settlement, consultation and other factors.

## **6. POLICY IMPLICATIONS**

The 2013/14 Revenue Budget, the Capital Programme and Medium Term Financial Strategy 2013-16 will incorporate the key priorities and strategic objectives agreed at Policy Council.

## **7. FINANCIAL IMPLICATIONS**

The details are contained within the attached Appendix.

## **8. LEGAL IMPLICATIONS**

The Council is required to set a balanced budget and declare a Council Tax by 11<sup>th</sup> March 2013.

## **9. RESOURCE IMPLICATIONS**

The MTFs forms a key link between financial and business planning, reflecting and influencing key plans of the Council and accordingly will have an impact across all the Council's resources.

## **10. EQUALITY IMPLICATIONS**

Equality Assessments have been undertaken on the budget savings options presented in the Appendix.

## **11. CONSULTATIONS**

We have consulted widely with residents, partners and stakeholders to gain a consistent understanding of local priorities which goes back to the Development of Vision 2030 during 2009.

Three major consultations have taken place between 2008 and 2010, with the Place survey in 2008, research consultation and engagement to develop the Local Strategic Partnership Vision 2030 and neighbourhood consultations during summer 2010. Each of these three has contributed strongly to our understanding of local priorities. At the strategic level, improving the local economy and jobs available for local people along with reducing crime have been consistent priorities. Consultation and engagement from the last two years shows that improving the ways that communities get on together are also consistent as a local priority. In relation to local service delivery clean streets, improved parks and open spaces and refuse collection have been

consistently identified as local priorities.

Following the Comprehensive Spending Review in 2010, we undertook a major consultation and engagement process with staff, local people communities, partners and business to establish in more detail priorities for service provision at a time when Council and other public sector resources are being reduced significantly. The consultations have taken a range of forms, utilising the Citizen's Panel, public meetings, ward based community discussions, priority setting sessions with service users for each of the key council portfolios; setting up the YouGov, YouChoose, accessible through the Council Website and a series of opportunities for staff input to the process of developing local priorities.

The Citizen's Panel, a robust and representative sample survey of residents, concluded that the services to be protected through cuts were education, refuse collection and street cleaning, leisure provision and care services, while identifying services that could be cut as advice services, administration and road works, although almost nine out of ten felt that all services should be protected.

A major public consultation meeting for residents concluded that Community Safety, Adult Social Care and street cleaning were priorities to be protected, while tourism, events and festivals and museums and galleries could be cut back. Young people were clear that children's social care, youth work, education, and child safeguarding were priority services to be protected while festivals and events, parks and playgrounds and King George's Hall could all be cut back.

Consultation with neighbourhoods felt that communities getting on, improved public transport, clean streets, community centres, improved parks and open spaces and maintaining standards for refuse collection were priorities.

Groups were asked to identify specific ideas for making savings and ideas covered reducing administration and bureaucracy, along with a number of specific suggestions including a review of all universal services to identify scope for charging, encouraging residents to support vulnerable neighbours; cut back opening hours for leisure and cultural provision. Consultation with businesses felt there was a need to identify and prioritise investment that would bring a return for the public sector and that there was a need to undertake impact assessment of proposed cuts to funding before a rational judgement could be made.

All groups were asked if they felt the Council could make further efficiency savings. The majority in all groups felt further significant efficiencies were unlikely and the residents suggested that there are only so many efficiencies you can make before you start cutting services.

In early 2012, the Council consulted on its 2012/13 Revenue Budget, building upon the consultation work undertaken for the 2011/12 budget outlined above. "Your Services, Your Call" events have been held in both Blackburn and Darwen markets. Elected members and senior officers were available to speak to visitors about difficult decisions already taken, future issues and



priorities. The events proved popular with more than 400 people taking part in one day. A number of other consultation events have also taken place with a range of groups, service users and partners, these included meetings with Adult Social Care groups and young people. A questionnaire was also available in many of the Council's facilities and on its website and the Shuttle. Traditional meetings for various interest groups also took place ahead of the Finance Council meeting.

Overall, the results of the engagement and consultation work found that the issues identified in the 2010 Citizens Panel remained important, with particular emphasis on highway maintenance. An emerging theme from the 2012 consultations is the growing importance of 'job prospects, wage levels and the cost of living'. This was the most important issue identified at the Blackburn Market event and also one of the top issues noted through the questionnaires. 'Caring for and protecting children and adults' and 'clean streets' were also identified as key issues in these consultation events.

To add to our existing robust understanding of the priorities of residents and key service user groups we included a key question in the November 2012 Residents Survey. The responses, based on a representative sample of 1,100 residents from a telephone survey conducted during October and November 2012 confirmed the broad priorities for spending in the Borough. Residents were asked to identify where previously identified priorities lay on a priority scale from low to high priority. Analysis of this data confirms that the leading four priorities for our residents are Education, Community Safety, More Local Jobs and Children's Social Care, all of which were felt to be a continuing high priority by more than six in ten residents. Adult Social Care and Highways maintenance followed with a little more than four in ten feeling that they remain a high priority, while street cleaning and infrastructure for business were a high priority for three in ten.

The Council has taken the views of all the groups into account when preparing its budgets. It is moving towards achieving its priorities, whilst not increasing Council Tax. The Council is focusing its resources on meeting the economic challenges facing this borough and improving the skills of its residents.

The Council's priorities are set out in its Corporate Plan. The Council has also consulted extensively when developing its Local Council Tax Support Scheme. This consultation also covered increased charges for second homes and empty properties and asked respondents to identify areas for investment and disinvestment.

The Council will now undertake further consultation before settling its 2013/14 budget at Finance Council in March 2013.

CONTACT OFFICER: Denise Park, Executive Director Resources and Transformation  
Elizabeth Hall Director of Finance

DATE: 22 January 2013

## Portfolio budget savings proposals - 2013-2015

Savings proposals	2013/14	2014/15
	£000	£000
<b>Health &amp; Adult Social Care</b>		
Recurring savings already 'banked' in 2012/13 - transport costs, loan store running costs and telecare set up	220	220
Integrate teams, review management - intermediate care and reablement	80	80
Decrease ratio of qualified to unqualified social workers	82	82
Reduce commissioning spend by pooling resources across a number of areas	45	95
Reduce cost of commissioned home care service through review of providers and fee structures	250	500
Reduce direct payment rate for personal assistants	120	120
Reduce extra care block contract costs	200	200
Reduce costs of in-house and external day services	25	200
Create additional shared lives placements and reduce supported living costs	69	319
Increase neighbourhood and community support to reduce social care costs	70	140
Review costs and funding - continuing healthcare, external placements, residential intermediate care	570	870
Increase reablement service to reduce costs and increase independence	750	1,350
Review telecare service - free for over 80's, private payer scheme, and increased usage	350	900
Reduce departmental management and reduce staffing costs in commissioning and business services	172	399
Review rates for learning disability care to reduce cost	186	186
Review supported employment and supporting people contracts	446	866
Review residential care provision and costs - in-house and independent sector	400	1,850
	<b>4,035</b>	<b>8,377</b>
<b>Children's Services</b>		
Reduce commissioned services, including domestic abuse, young carers and teenage sexual health / health	824	824
Reduce business services staffing	170	473
Cease families first provision - continuum of need level 4 prevention services	229	229
Change residential provision, reduce staffing and bed capacity in-house and increase supported lodgings and respite	175	351
Reduce aids and adaptations and parents forums for children with disabilities	49	49
Service offer for early years and children's centres will refocus delivery and reach areas and deliver through an early help approach	450	893
Reduce multi treatment foster care and reorganise fostering provision	150	150
Integrate teams, reduce management and staffing - children in our care, leaving care and social work practice	100	380
Continue modernising social care workforce and practices and reduce children requiring intensive support by 50	-	2,151
	<b>2,147</b>	<b>5,500</b>

## Schools and Education

Reduce staffing and management - business services, administration, regulatory services, estates and FM	163	193
Increase governors services income	13	13
Reduce support for ethnic minority achievement (SEMA) and gypsy roma travellers service	59	59
Reduce costs and introduce traded services - school development, e-learning service and seek asset transfer for city learning centres	114	244
Partnership funding from schools for school improvement services	240	240
Reduce commissions for vulnerable learners 14-19	100	250
Reduce young people's learning service	25	25
Review SEN transport costs and eligibility criteria	50	220
Further review of discretionary/faith transport policy and costs	50	200
Cease discretionary school clothing grants	156	156
	<b>970</b>	<b>1,600</b>

## Environment

Reduce costs of graffiti contract and food hygiene rating scheme and cease pager contract	18	18
Increase income - service procured by private companies	20	20
HWRC's introduce charge for construction and demolition waste, and obtain licence to accept trade waste	100	180
Increase bulky waste charge to £20	42	42
Reduce management in public protection service	39	39
Increase burial and crematorium fees by 10%	90	90
Cease payment of recycling credits for charities and community groups	20	20
Reduce cleaning in public buildings and central services staffing in corporate buildings	95	126
Reduce management and support staff in Environment Services	25	30
Street cleansing cost savings - transport and running costs	236	236
Grounds maintenance transport savings	228	228
Management savings	103	98
Reduce pest control staff and vehicle costs	20	30
Income for contaminated land services	23	23
Reduce frequency of street cleansing	264	354
Reduce grounds maintenance and landscaped areas	200	330
Remove vacant post from business compliance team	36	36
	<b>1,559</b>	<b>1,900</b>

## Leisure, Culture & Young People's Services

Increase health and fitness income	179	194
Remove young people's services commissioning budget	200	200
Reduce small grant funding for voluntary organisations	-	7

Witton Park - reduce staffing and increase income from athletics and leisure	28	56
Reduce staffing across library service, reduce resources fund, reduce running costs and Saturday opening hours at Blackburn, review gateway model for Roman Road, reduce opening hours at Darwin and review Livesey branch library	159	239
Reduce archive service	-	30
Reduce youth club sessions, positive activities for young people and play services	-	200
Reduce management and staff costs and opening hours at Blackburn Museum	59	79
Reduce management of leisure services and reduce opening hours at Audley, no public swimming at Daisifyield and seasonal opening at Waves (significantly reduced opening in Autumn and Winter)	-	391
Reduce support for Youth zone	-	80
Turton Tower management transfer and review	-	49
Additional income in public halls and catering	-	85
	<b>625</b>	<b>1,610</b>
<b>Neighbourhoods, Housing &amp; Customer Services</b>		
Community Safety - remove vacancy, reduce running costs, reduce net cost of CCTV service	120	120
Review social fund responsibilities	88	88
Cease consumer advice	25	25
Reduce consumer protection staffing and running costs	4	32
Reduce neighbourhoods service costs and events, including loss of neighbourhood bus	77	127
Increase charges for temporary accommodation	15	15
Reduce staffing and costs across housing service including housing development and enforcement	107	167
Reduce management and staffing in neighbourhoods service	-	71
Improve automation and self service and reduce management and staff in customer services	35	140
Reduce home improvement agency Decent and Safe Homes (DASH) service	-	37
Reduce housing benefit service linked to universal credit introduction	-	80
Reduce customer service provision in Darwin	-	8
	<b>471</b>	<b>910</b>
<b>Regeneration</b>		
Rent savings and reduced hired services budget	67	67
Remove vacant posts in business support, town centre development, visitor centre, and transport coordination	140	140
Business centre cost savings	34	34
Reduce repair and maintenance of public rights of way	50	60
Reduce running costs in planning and transport	10	10
Increase fee income for local land charges	30	30
Street lighting LED retrofit invest to save	-	460
Increase fees for development management	55	55

Reduce maintenance of traffic signals, signs and calming measures	84	84
Reduce road safety education	78	78
Reduce subscriptions and partnership costs	53	83
Reduce public transport bus subsidies	28	56
Community transport reduce operating hours and increase fares	17	35
Reduce staffing in planning and town centres team	177	217
Car parking reduced maintenance and cost savings	45	45
Drainage maintenance savings	60	60
End contribution to Lancashire Road Safety Partnership	115	115
Reduce school crossing patrols by 50%	25	50
Highways maintenance invest to save proposal	-	850
Increase income for corporate building team from capital works	100	100
	<b>1,168</b>	<b>2,629</b>

**Resources**

Reduce costs for audit, pensions and subscriptions	180	195
Rent savings	130	389
Reduce running costs in audit, insurance and benefits	48	68
Reduce training for civil contingencies and communications	23	23
Savings on treasury management activity	171	284
Increase Registrars fees and charges	3	3
External income for finance support services and rental of space in data centre	112	197
Reduce costs of democratic services and town twinning activities	110	110
Reduced building repairs and maintenance	106	106
Reduce IT refresh costs	100	200
Public health contribution to support services	100	100
Reduce costs of HR, payroll and occupational health services	436	436
Remove vacant posts in benefit investigations, communications and financial services	128	128
Reduce contract costs for telephony, employment law, agency services and commodities	237	257
Reduce support service management and staffing in audit, policy, performance, research, communications, finance, legal and IT	180	678
Reduce cost of legal hired services, contract management and coroners services	60	95
Reduce discretionary rate relief	-	42
Reduce costs of property services, benefits and transactional finance	25	455
	<b>2,149</b>	<b>3,766</b>

Total proposals

**13,124**    **26,292**