

ITEM NO: **5, 6 & 7**



**Budget Panel**  
2<sup>nd</sup> December 2008

**Report from the Director of  
Finance and Corporate  
Resources**

For Information

Wards Affected:  
ALL

**Service Area Budget Presentations**

**1.0 Summary**

- 1.1 The Budget Panel on 2<sup>nd</sup> December is due to consider budget issues relating to each of the main service areas. Presentations will be made on Environment and Culture, Children and Families, and Housing and Community Care, with members of the Panel being able to ask questions after each presentation.
- 1.2 This report sets out the overall context for the presentations and highlights some of the issues the Panel may wish to consider in relation to each of the service areas.

**2.0 Recommendation**

- 2.1 That the Panel notes the issues that should be covered in the presentations on Environment and Culture, Children and Families, and Housing and Community Care.

**3.0 First Reading Debate background**

- 3.1 The finance report considered by Full Council on 24<sup>th</sup> November as part of the First Reading Debate showed a budget gap for 2009/10 of £4.5m to get down to a council tax increase of 5% and £9.4m to get down to a freeze in council tax.
- 3.2 A number of measures were identified as potentially bridging the gap, including:
  - a. Achieving a budget surplus in 2008/09 which can be used to support the 2009/10 budget;
  - b. Service areas achieving 3% savings target set for them, which would reduce the gap by £1.9m;
  - c. Consideration of options for a further 2% savings (a full 2% additional savings would reduce the gap by a further £3.1m);
  - d. Reducing the £2.6m allowed in the budget projections for inescapable growth;
  - e. Reducing growth in central items.

In addition, the First Reading Debate report set out the process for determining Local Area Agreement priorities that might be funded from Area Based Grant or Performance Reward Grant.

- 3.3 The report from the Executive on the priorities of the administration reflected the new context provided by downturn in the economy, highlighted the importance of the improvement and efficiency strategy in helping the council to bridge the budget gap, and set out the four main priorities for investment – crime and community safety, young people, sustainability and regeneration.
- 3.4 In addition, this Panel at its meeting on 13<sup>th</sup> November identified a number of service issues that it felt needed to be taken into account in setting the budget. High on its list of concerns was the need to ensure adequate child protection following the recent high profile death of a child at risk in Haringey and the potential impact of changes to adult social care provision as part of the adult social care transformation.
- 3.5 Further specific service issues will have been raised as part of the First Reading Debate itself (due to take place after this report has been sent out) and will have informed the issues members may wish to raise as part of their consideration of the main service area budgets at this meeting.
- 3.6 The key general issues members will wish to consider are therefore:
  - a. How will measures being taken within service areas contribute to reducing the budget gap, including for instance measures to eliminate potential overspends in 2008/09, savings already agreed or being considered, the results of transformation activity within departments, and measures to control ‘inescapable growth’?
  - b. How deliverable are the budget measures such as savings and limiting ‘inescapable growth’?
  - c. What impact will there be on service priorities?
  - d. What are the biggest service risks?

#### **4.0 Specific areas to be covered for individual services**

- 4.1 Each of the areas has been asked to provide an up-date of their 2008/09 budget position and measures being taken to address forecast overspends.
- 4.2 The following are the main specific issues that services have been asked to address:

##### ***Environment and Culture***

- a. Waste (not required to achieve specific level of savings but are expected to reduce amount of waste going to West London Waste and increase recycling):
  - i. Progress on compulsory recycling;
  - ii. Other factors that could increase cost of waste;
  - iii. Measures to manage down these costs.
- b. Other environment and culture services (need to find further savings to achieve 3% savings target; have also been asked to identify options for additional savings over and above 3% target);
  - i. Measures that can be taken to deliver savings over and above those agreed in October;

- ii. Measures being taken to deliver service priorities;
- iii. Key service and budget risks.

### ***Children and families***

- a. Children's Social Care (not required to achieve specific level of savings but are expected to deliver of 'Invest to Save' programme):
  - i. Progress on Invest to Save;
  - ii. Key service and budget risks, including in particular measures to safeguard children.
- b. Other non-schools budgets (3% savings achieved, additional savings options being identified):
  - i. Measures that can be taken to deliver savings over and above those agreed in October;
  - ii. Measures being taken to deliver service priorities for young people, both within Children and Families and working with partners, including use of Area Based Grant and specific grant increases;
  - iii. Key service and budget risks.

### ***Housing and Community Care***

- a. Adult Social Care (not required to achieve specific level of savings but are expected to make the service sustainable – ie contain growth from demographic and other pressures through the transformation programme):
  - i. Details of budget pressures – including forecast activity levels – and the extent to which transformation projects will enable these to be contained;
  - ii. Key service and budget risks.
- b. Non-HRA housing (3% savings achieved, additional savings options being identified)
  - i. Key budget drivers, including in particular temporary accommodation;
  - ii. Measures that can be taken to deliver savings over and above those agreed in October;
  - iii. Key service and budget risks.

4.3 Details of budget savings agreed for these service areas in October are attached as Appendix A. Appendix B includes a list of Area Based Grants and specific grants (Working Neighbourhoods Fund not adjusted for recently proposed changes). Appendix C lists priorities within the Local Area Agreement.

## **5.0 Contact Officers**

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