

FINANCIAL FORECAST 2012/13 - 2015/16
July Estimate

Revised Financial Forecast 2012/13 - 2015/16					
	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
<u>Service Area Budgets (SABs)</u>					
Children & Families	57,703	57,703	57,703	57,703	57,703
Environment and Neighbourhood Services	42,567	42,567	42,567	42,567	42,567
Adult Social Care	92,361	92,361	92,361	92,361	92,361
Regeneration & Major Projects	21,768	21,768	21,768	21,768	21,768
Corporate					
- Central Units	12,466	12,466	12,466	12,466	12,466
- Finance & Corporate Services	13,864	13,864	13,864	13,864	13,864
	240,729	240,729	240,729	240,729	240,729
<u>Savings</u>					
Identified Service Savings	0	(3,684)	(3,684)	(3,684)	(3,684)
Identified One Council Programme Savings	(31)	(10,620)	(18,850)	(21,350)	(21,350)
	(31)	(14,304)	(22,534)	(25,034)	(25,034)
<u>Cost Pressures for Service Areas</u>					
Cost Pressures	2,000	7,000	12,000	17,000	22,000
Inflation Provision	2,520	7,670	13,970	21,570	29,270
	4,520	14,670	25,970	38,570	51,270
<u>Other Budgets</u>					
Central Items	46,170	50,395	53,483	57,173	61,077
<u>Grants & Balances</u>					
Government Grants Unallocated	(23,414)	(24,155)	(24,155)	(24,155)	(24,155)
Council Tax Grant	(2,585)	(2,575)	(2,575)	(2,575)	0
Contribution to/(from) Balances	2,500	2,239	0	0	0
	22,671	25,904	26,753	30,443	36,922
Total Budget Requirement	267,889	266,999	270,918	284,708	303,887
Plus Deficit on the Collection Fund	1,006	0	0	0	0
Grand Total	268,895	266,999	270,918	284,708	303,887

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Budget Gap at 0%, 2.5% and 3.5% Council Tax Increase

Reductions required if Council Tax increase is 0% in each year		(10,913)	(16,407)	(41,567)	(67,455)
Reductions required if Council Tax increase is 2.5% in each year		(8,333)	(11,165)	(33,586)	(56,652)
Reductions required if Council Tax increase is 3.5% in each year		(7,297)	(9,036)	(30,288)	(52,108)

Formula Grant	165,911	152,845	151,011	139,383	132,414
The Formula Grant has been calculated based upon best estimates within the Spending Review					

Council Tax Calculation for 2.5% increases

Brent Council Tax Requirement 97,252 in 2011/12, 97,495 in 2012/13 and assuming 0.25% increase for future years.	1,058.94	1,085.40	1,112.58	1,140.39	1,168.92
% Increase in Brent part of CT	0.0%	2.5%	2.5%	2.5%	2.5%

Balances

Balances Brought Forward	7,261	9,761	12,000	12,000	12,000
Underspends/(Overspends)	0	0	0	0	0
Contribution to/(Use of Balances)	2,500	2,239	0	0	0
Balances Carried Forward	9,761	12,000	12,000	12,000	12,000

ANALYSIS OF CENTRAL ITEMS 2011/12 -2015/16

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'001
Coroners Courts	235	235	235	235	235
LGA	49	49	49	49	49
London Councils	179	170	170	170	170
LGIU Subscription	20	20	20	20	20
West London Alliance	30	30	30	30	30
Copyright Licensing	24	24	24	24	24
External Audit	474	474	474	474	474
Corporate Insurance	340	360	380	400	420
Capital Financing Charges	25,359	26,563	27,603	29,104	30,668
Levies	2,238	3,089	3,986	4,973	6,058
Premature Retirement Compensation	5,148	5,277	5,409	5,544	5,683
Remuneration Strategy	229	229	229	229	229
South Kilburn Development	900	1,500	1,500	1,500	1,500
Insurance Fund	1,800	1,800	1,800	1,800	1,800
Freedom Pass Scheme Growth	0	1,257	2,083	2,955	3,875
Affordable Housing PFI	1,159	1,188	1,217	1,248	1,280
Council Elections	100	100	100	100	100
Carbon Tax	432	576	720	864	1,008
New Homes Bonus	(1,250)	(2,085)	(2,085)	(2,085)	(2,085)
Regeneration	1,250	2,085	2,085	2,085	2,085
Redundancy and Restructuring Costs	6,354	6,354	6,354	6,354	6,354
Procurement Income	(480)	(480)	(480)	(480)	(480)
Schools Refurbishment	1,500	1,500	1,500	1,500	1,500
Other Items	80	80	80	80	80
TOTAL	46,170	50,395	53,483	57,173	61,077

SERVICE AREA: CHILDREN AND FAMILIES					
ANALYSIS OF SAVINGS					
Unit	Item	2011/2012 £'000	2012/2013 £'000	2013/2014 £'000	2014/2015 £'000
Schools Traded Services and charging to the schools budget	Over the last three years C&F have reviewed charges to the schools budget rather than the general fund achieving £2.5m additional charges. Recent reviews have indicated that a further £1m can be charged mainly covering 3 children centres £860k. Further savings are still being reviewed for future years.	1,000			
Children's Centres	Savings are to be achieved through a restructuring of the children centre teams £550k and a review of centrally commissioned services £450k. A further £700k from Sure Start central expenditure and £255k from the development of a child based funding formula for ongoing allocations to centres. In addition a further £200k from not starting the Sudbury, Cricklewood and Kingsbury centre and £105k from various schools taking responsibility for all maintenance and revenue costs of buildings. Any potential costs still need to be identified.	2,250	1,300		
Social Care Transformation	A number of areas have been identified for reducing costs foster placements, children in residential homes, semi independent living, payments for children that have been adopted and other arrangements as well as families without recourse to public funds and the Youth Offending Service.	1,800			
Children's Social Care Restructuring	Savings will be achieved through further rationalisation of the fostering and adoption service including their panels. Income will be generated through the sale of approved adopters. A rationalisation of the safeguarding service through streamlining the child protection conference process including a reduced contribution to the LSCB. In addition there will be a reduction to commitments against the care matters grant with a cessation of the support to the Young Carers Centre, reductions in the Youth Offending Service and limited reductions in the Crisis Intervention Service and in unqualified staff in the localities social work teams.	1,300			
Children with Disabilities and SEN	Restructuring of short break provision (£190k), cease Easter holiday play schemes (£20k), implementation of new continuing care framework awarding additional financial responsibility on health services (£50k), reduction in SEN early years support (£63k). Decrease in core staffing for the Education Psychology Service and increased charging of non statutory services (£108k).	431	194		
School Improvement Service	Increase in charges for the Music Service (£50k) and £483k from reduction of consultancy support and post deletions within the School Improvement Service.	533	180		
Youth & Connexions	Restructuring and reduced service offering for the Youth Service including staff losses of £153k and impacting on the Dennis Jackson Centre (£36k), St Raphael Centre (£70k) and Wembley Centre (£101k). For Connexions staff savings of £34k with £80k reduction to PA delivery contracts and reduced careers guidance contract (£200k).	674	117		
Various	Ceasing a number of activities that had been funded via Area Based Grants that have ceased or had been part of ring-fenced grants for which the ring-fencing has been removed. These include: extended schools, School travel advisers, Choice Advisers, Sustainable Travel, extended rights for free travel, Positive Activities for Young people, Youth Opportunities Fund, Early Years Workforce, early years sustainability and Childrens Fund.	2,512			
Various	Savings in managerial, spans of control and operational activities as a result of waves 1 and 2 of the staffing and structure review	1,375	134		
Various	Savings from the standardisation of Outer London Weighting across officer and former manual grades.	167	68		
Various	Increased income generation mainly within Youth Services	27			
TOTAL		12,069	1,993	0	0

SERVICE AREA: ENVIRONMENT AND NEIGHBOURHOOD SERVICES					
ANALYSIS OF SAVINGS					
Unit	Item	2011/2012 £'000	2012/2013 £'000	2013/2014 £'000	2014/2015 £'000
Control Room/CCTV Room	Merge the two existing rooms, share staff, reduce management & supervisory resource, and reduce hours of operation.	280			
Environmental Health	To cease the programme of alley gating and area based environmental improvement.	251			
Festivals	Reduce the number of festivals to include Respect, Countryside Day, Diwali, Holocaust Memorial Day and Bonfire Night.	231			
Grounds maintenance	Reduce level of grass cuts, no London in Bloom entry and less winter bedding in 2011/12 only	100	(100)		
Highways	Reduction in Highways Maintenance Contract Expenditure - through reducing the volume of reactive maintenance.	200			
Highways	Restrict responsive highways maintenance to pothole and footway trips for 2011/12 only	100	(100)		
Highways	Renegotiate reduction in streetlighting contract.	100			
Parking	Controlled Parking Zones - cease work to introduce new, and review/adjust existing schemes.	240	60		
Parking	Improve Contractor performance from 0.87 PCN/hour to 1.22 PCN/hour and settle a favourable dispute on Parking Suspensions.	300			
Parks	To cease the static parks wardens service.	200			
Streetcare	Graffiti removal - reduce number of teams from 4 to 2.	162	54		
Parks	Delete playground inspector post.	20			
Review of Regulatory services	Review regulatory services creating business compliance and nuisance separation.	300			
Sports	Closure of Charteris Sports Centre.	155	10		
Sports	Willesden Sports Centre - reduce contract price from agreement by reducing the excess profit payment clause.	75			
Sports	Vale Farm Leisure Centre - negotiated reduction in contract price following extension of contract.	33	47		
Streetcare	CCTV - deletion of consultants budget.	69			
Streetcare	Reconfigure work of StreetCare Support section – the saving to be achieved by merging the support functions that currently serve Environment & Protection through separate arrangements.	200			
Streetcare	Reduce number of gully teams from 3 to 2; reduce sign shop staff by one; close stores; delete the Deputy Manager post.	180			
Streetcare	Streetlighting Energy - reduced consumption through dynamic billing.	90			
Streetcare	Reduction in contract for Street Trees through reduction in planned maintenance (£50k) and tree planting (£25k) - only for 2011/12	75	(75)		
Streetcare	Reduce number of Waste Development Officers from 5 to 3 and cease Schools Education Programme.	85			
Streetcare	Reduce frequency of cleansing in residential (Zone 5) areas from twice per week to once per week.	350			
Streetcare	Move staff from 6 to 5 days a week to avoid redundancy costs on the Veolia contract by identifying ways of implementing the reduction of cleansing frequencies in residential areas from 3 times per week to twice per week.	100			
Streetcare	Additional savings on the waste and recycling contract.	600			
Streetcare	Negotiate the addition of gulley cleansing and graffiti removal work to Veolia contract.	50			
Streetcare	Reduced contribution to West London Waste Authority levy.	700			
Streetcare	One Council projects in Streetcare	461			
Arts & Libraries	Reduce grant by 10% to Tricycle Theatre	20			
Arts & Libraries	Review of Libraries	408			
Various	Savings in managerial, spans of control and operational activities as a result of waves 1 and 2 of the staffing and structure review	1,726	183		
Various	Savings from the standardisation of Outer London Weighting across officer and former manual grades.	247	50		
Various	Increased income generation mainly from increased charges for parking permits, on and off street parking and moving traffic contraventions	2,658	(166)		
	TOTAL	10,766	(37)	0	0

SERVICE AREA: ADULT SOCIAL CARE					
ANALYSIS OF SAVINGS					
Unit	Item	2011/2012 £'000	2012/2013 £'000	2013/2014 £'000	2014/2015 £'000
Adult Social Care Commissioning and Procurement	Transformation of service through redesign of services. Improve services and commission alternative services which offer more choice and control to service users	4,120	412		
Mental Health	Community Networks - Delete operational and purchasing budgets for Kingsbury Manor, Harlesden resource Centre and John Wilson House and provide two specialist CDW posts that will work in Community services (employment,welfare and support teams) to signpost service users to private and voluntary resources.	880			
Mental Health	Community Services Employment/Welfare/Support Team - delete 4 vacant posts	120			
Mental Health	Spot Purchases - Reduce reliance on residential and nursing spot purchase placements through the adoption of a Placement Reduction Strategy. It is expected that after 3 years there will be no new cases of residential placements other an exceptional cases.	250			
Home Delivery Meals	Increase the take up of hot meals to day centres by 25,000.	121			
Transport Eligibility Criteria	To encourage independent travel to day care provision	127	43		
Grants	Review the support to the voluntary sector programme	249			
Taxicard Scheme	To withdraw from the scheme in 2012/13		221		
Brent Integrated Community Equipment Services	Reduce Brent's contribution to the joint LA/NHS budget through negotiating a lower percentage contribution 40% from 50%.	150			
Various	The impact of inflation on means tested contribution to the costs of residential and home care packages and a 7% increase in the charge for clients in bed and breakfast and group homes.	693			
Various	Savings in managerial, spans of control and operational activities as a result of waves 1 and 2 of the staffing and structure review	719	15		
Various	Savings from the standardisation of Outer London Weighting across officer and former manual grades.	220	108		
Learning Disability	Day Services for Learning Disabilities - to improve service outcomes and reduce costs through consolidating all current day centres into the purpose-built John Bilham Resource Centre and redesign the service model to support users to access services in the community more independently.	635	433		
Various	Personalisation - Customer Journey project will address a number of operational problems and significantly improve the end to end assessment process. This will cover all staff and client groups involved in the end to end customer journey in Learning Disability, Older People/Physical Disability and Hospital Discharge.	1,298	8		
TOTAL		9,582	1,240	0	0

SERVICE AREA: REGENERATION AND MAJOR PROJECTS					
ANALYSIS OF SAVINGS					
Unit	Item	2011/2012 £'000	2012/2013 £'000	2013/2014 £'000	2014/2015 £'000
Regeneration & Major Projects	Departmental consolidation of non-managerial staff in planning/regeneration/housing teams, restructuring the business support functions and bringing forward the medium term facilities management solution.	182	100		
Regeneration	Reduce the capacity of the Brent In 2 Work service by the end of 2010/11. All inhouse ESOL related employment activities will be stopped and premises at 1 Olympic Way vacated. A new function will be set up which will focus on employment and education opportunities for the 'hardest to help' based around the new phases of the Wembley Development, South Kilburn and Civic Centre Projects. This is a one off saving from reserves built up from the Working Neighbourhood Fund	700	(700)		
Property	Property savings from within Chesterfield house and Cotterell House from flexible working	224			
Supporting People	Reduce providers contract price through negotiation and contract variations without significant impact on service users. This can be achieved through closing under utilised and unpopular shared houses or reducing the number supported through floating support. There will be reductions in central support. A framework contract for housing support services will be available under the WLA from November 2011.	1,200	600		
Housing Solutions/HRC	Implement lean service principles to back office staff	120			
Housing Solutions	Delete incentives for the procurement of private sector housing	193			
Housing Agencies	Decommission the Brent Community Law Centre (£226k) and the Brent Private Tenants Rights Group (£37k)	263			
Homeless Strategy	A review of the current spend to achieve the saving . Much of the spend is used to support front-line service delivery targeted at preventative work	200			
Housing Register	Development of a sub-regional system to replace the paper-based current system with an online application process	100	100		
Underoccupation Scheme	Reduce incentive payment to underoccupiers in social housing who accept a move to a smaller property from £4k to £1k.	200			
Private Housing Enforcement Team	Reduce the senior/specialist expert advice available to the team through reconfiguring the team.	56			
Traveller's Site	To increase rent charges for travellers site license fees, increased charges for empty property grant, disabled facilities and small works admin charge.	7			
Various	Savings in managerial, spans of control and operational activities as a result of waves 1 and 2 of the staffing and structure review	437	40		
Various	Savings from the standardisation of Outer London Weighting across officer and former manual grades.	100	20		
TOTAL		3,982	160	0	0

SERVICE AREA: CORPORATE UNITS					
ANALYSIS OF SAVINGS					
Unit	Item	2011/2012 £'000	2012/2013 £'000	2013/2014 £'000	2014/2015 £'000
Customer & Community Engagement	The Diversity team has lost funding for the Prevent Programme and will no longer be able to support this. The structure has been reviewed to provide a more focussed team.	143			
Customer & Community Engagement	Additional income from increased charges for advertising £14k and the Registration Service £23k.	37			
Legal & Procurement	Savings from deletion of the Liberal Democrat Researcher post, regarding of Labour Group Office Manager to Political Assistant, training savings and additional external income.	100			
Strategy, Performance & Improvement	There are 5 policy, partnership and performance teams across the Authority. The teams provide support to units on performance management, analysis of performance and reporting of data. There are also a number of specialist services such as GIS team, statutory schools data and evidence base provision within the function. There are also a number of non policy functions such as Welsh Harp Education, Land Charges and Property Database. Savings will be achieved through the review of the Welsh Harp Centre with options being explored with schools for this work and the restructuring of the policy teams with the loss of 12 posts.	500			
Finance & Corporate Services	Successful retendering of the Revenue & Benefits IT Contract	1,200			
Finance & Corporate Services	Finance modernisation project involving the centralisation of Finance and creation of a Finance Service Centre, a business partnering model and the implementation of a single accounting system.	1,105			
Various	Savings in managerial, spans of control and operational activities as a result of waves 1 and 2 of the staffing and structure review	1,990	254		
Various	Savings from the standardisation of Outer London Weighting across officer and former manual grades.	242	74		
TOTAL		5,317	328	0	0