



Following consultation

**Stoke-on-Trent City Council
Final Budget Proposals
2012/13 – 2014/15
1 February 2012**

Contents

| | |
|---|----|
| Introduction | 1 |
| Background information | 3 |
| Feedback from consultation campaign on budget proposals | 4 |
| Developing an overall balanced budget package for 2012/13 | 5 |
| Revenue and capital investment aspirations 2012/13 | 6 |
| Investment proposals 2012/13 | 7 |
| Council tax considerations | 9 |
| Recommended savings proposals | 11 |
| Conclusions | 12 |
| | |
| Appendix A - Summary of final savings proposals recommended for 2012/13 | 13 |

Introduction

At the 2011/12 budget council meeting Cllr Pervez stood before you and said ***'The cuts for Stoke-on-Trent were the largest in living memory. These are unprecedented times.'***

The challenges remain and we continue to face some extremely difficult decisions.

This 2012/13 budget sees the end of the 2 year funding settlement that we received. Last year, we had to find £36m of savings. But we did not shy away from making difficult decisions. It was our duty to pull the council through this very difficult period which is what we did and we will continue to do so.

Despite the difficulties imposed upon us we are making good progress in delivering the savings for 2011/12 with over £30 million already banked and we are confident we will deliver a balanced budget for 2011/12 by the end of this financial year.

This year following an extensive consultation lasting over eight weeks the cabinet is proposing around £20m of savings with £4.6m investment in key areas. These investments will help to protect the most vulnerable in our communities while breathing life into our city's economy.

This year we have less room for choice and options. We have less manoeuvrability to change significantly the original proposals - but we have listened and we have given due consideration to the areas of most concern raised through the consultation process and during the Overview & Scrutiny meetings. The concessions made will ensure we take a more considered and measured approach to the transformation and redesign of services that are essential in delivering our mandate for change. Our strategy in areas such as modernising our waste business, reviewing our youth service, transforming our localities and community halls is absolutely the right course of action to take but we recognise that we have to get the new delivery arrangements right. We are therefore giving ourselves a little more time to implement these changes.

Our aim has always been, and continues to be, to protect the most vulnerable but in addition we must also act to stimulate economic growth and create the job opportunities that will underpin the future success of our city.

As part of this commitment we will invest an extra £600,000 into Children's Services to cope with increasing demand in this area. And whilst we are making some savings in social care provision we are also investing in frontline priority services. Provision will continue to be monitored and we will act again if we feel there is any safeguarding risk in our Adult or Children's Social Care service areas.

Extra investment will also be used to get tougher on crime especially benefit and tenancy fraud and anti-social behaviour such as littering and fly tipping.

As a bold and confident council we are proposing to invest £4.6m in areas that will drive this city forward. It is crucial that we stimulate growth in our city and that is why we are using some of the savings we make next year to invest in areas such as streamlining our planning service, increasing inward investment opportunities and developing a skilled workforce across the city. A range of new initiatives will help to create jobs, improve prosperity and encourage greater independence for our residents.

Currently Stoke-on-Trent City Council has the lowest council tax of the nine billing authorities in Staffordshire. Raising the Council Tax to 3.49% will mean 51p per week for a band 'A' property (61% of dwellings). This increase will raise £3m and will avoid us having to make even deeper cuts to frontline services now and in the future. Over a five year period, if we took the Government's offer to freeze council tax we would have a funding gap of over £13m!

We have been realistic and transparent with these proposals. We have consulted far and wide. We have held 12 events across the city with cabinet members in attendance. We have tweeted for the first time. Our budget consultation 'blue book' has been viewed on line a staggering 6,627 times!

So in summary, we will be **recommending a £24.1m budget package** which includes savings of £20m and a council tax increase of £3m (plus £1.1m contribution from reserves) to bridge the gap arising from direct Government cuts (£8.6m), cost pressures (£10.9m) and our save to invest strategy (£4.6m).

Many of you will be aware of the council's 'Mandate for Change' proposals launched earlier this year. It is an ambitious and exciting programme to create a "great working city". It has four main aspirations:

- Make Stoke-on-Trent the place to bring business
- Support and develop existing business
- Work with people to promote independence and healthy lives
- Make Stoke-on-Trent a great city to live in.

This is where we will invest, we can no longer sit back and accept our destiny we must create our own destiny. We must invest in our Mandate for Change in order to change the economic future of Stoke-on-Trent.

We believe this is a balanced budget to pull our city through these unprecedented times, it provides resources to kick start our local economy to create jobs, growth and wealth. We will also continue to redesign our services to deliver further savings and efficiencies as part of our priority to become a more confident and effective council.



Councillor Mohammed Pervez
Leader of the City Council



Councillor Sarah Hill
Cabinet Member for Finance

Background Information

The scale of the unprecedented financial challenge faced by the city has been well documented since the announcement of the Comprehensive Spending Review (CSR) 2010. The city is the 16th most deprived area in England. Despite this the city council continues to deal effectively and responsibly with increasing demands and reducing resource levels as part of the budget development last year and now for 2012/13 – 2014/15.

We received a provisional two-year financial settlement in December 2010. However, there are further changes proposed by the Department for Education (consultation commenced in December 2011) to the way in which the national academy programme is funded. This could lead to a further cut of £0.6m from the Government, and also potentially reduce the Dedicated Schools Grant (DSG) by around £1.7m. The financial impact on the city council has not yet been confirmed.

Huge uncertainty over the level of future resources still remains. This is compounded by planned national policy changes including a fundamental review of the way in which local government is funded:

- a complete overhaul of the financing of local authority housing provision
- comprehensive welfare reform
- introduction of universal credits
- the Localism Act 2011
- planning reform
- the changing landscape of education provision.

We need clarity to plan for the longer term. Within this environment the city council continues to try to protect frontline services to our communities but it has to do so with far less money.

The city council's draft budget proposals for 2012/13 – 2014/15 were formally launched on 21 November 2011 to elected members, staff, general public and the local media. In summary a budget package of £24m was put out for consultation which comprised direct Government grant cuts (£8m), cost pressures (£11m) and a save to invest strategy (£5m). The feedback from all the consultation has been reviewed to formulate the final budget proposals contained within this document. This balanced budget package will now be presented to City Council on 23 February 2012 where the Medium Term Financial Strategy and council tax level will be considered.

Feedback from Consultation Campaign on Budget Proposals

The budget proposals were formally launched on 21 November 2011. The City Council's Overview and Scrutiny Committees have now considered the budget proposals within the specific remit of their individual committees twice, in December 2011 and January 2012. The public consultation document was published on the city council website, an article was published in Our City and Cabinet arranged a series of city-wide road shows to seek feedback through a transparent and inclusive consultation process.

The headlines from the public consultation campaign in summary are:

- 12 public events were attended by cabinet members
- 35 tweets were received; the 'blue budget book' viewed 6,627 times on line; web chat by the leader
- 950 responses from the public; 1,600 at libraries; 180 from staff; around 50 from strategic partners including the 3 MPs
- A number of petitions about individual budget proposals have also been received. The appropriate Overview and Scrutiny Committee considered each petition as part of their responses to the budget proposals, and the lead petitioners were invited to address the committees. The petitions will also be reported to the City Council meeting of 2 February 2012. The petitions report can be found at www.stoke.gov.uk/committees by following the link to the agenda.

In respect of the overview and scrutiny committees almost 95% of investment ideas were supported and positive feedback was given over the quality of the range of ideas proposed. As part of this process the Overview and Scrutiny Committees also supported and accepted over 95% of the savings proposals.

The Cabinet has listened carefully to this feedback and as a result has revised some of the savings proposals whilst maintaining its overall strategy and focus on service priorities and budget development principles.

Developing an Overall Balanced Budget Package for 2012/13

These are very difficult times for the country and particularly for our city and tough decisions have to be taken. The focus of the medium to long term strategy is clear - to continue to protect the most vulnerable whilst stimulating growth and economic prosperity for the communities in our city. This is clearly articulated within the Mandate for Change aspirations, which has received such overwhelming support right across our city. Successful delivery is critical to enable a better future for our residents and to avoid the very real threat of continued economic decline and an ever increasing dependency culture. The huge challenge is in balancing these aspirations for the future with ensuring that the core underlying principles of protecting and supporting the most vulnerable today is not compromised.

The city council faced a very difficult challenge in balancing the budget for 2011/12 but it has clearly proven it has the ability to deliver. The majority of the original £36m savings have been achieved or alternatives secured. This decisive action will ensure that a balanced budget in 2011/12 will be achieved. Given the financial climate this has been essential or the impact on services and the city's prospects would have been even more severe and the scale of future cuts would have been even higher.

The draft budget proposals for 2012/13 have been bold and ambitious and contained some really difficult choices. These considerations have been supported by a transparent and inclusive consultation process. An overall summary of the budget package is shown in the table below:

| Detail | Consultation Document 21/11/11 | Final Proposals 01/02/12 | Reason for change |
|----------------------|-----------------------------------|-----------------------------|---|
| | £m | £m | |
| Formula Grant | 8.0 | 8.6 | Potential reduction in government grant to fund national academy programme |
| Pressures | 10.9 | 10.9 | |
| Investments | 5.0 | 4.6 | Prioritisation of investment in mandate for change to reflect affordability |
| | 23.9 | 24.1 | |
| Council Tax Increase | 3.0 | 3.0 | |
| Savings | 20.9 | 20.0 | Considered response to feedback from the consultation campaign |
| | 23.9 | 23.0 | |
| | - | 1.1 | The budget strategy to fund this additional investment is explained below |

The city council agreed a strategy to meet the costs of the voluntary redundancy programme by borrowing, on a temporary basis, from its own earmarked reserves and to pay them back over a five year period. This was the cheapest and most cost effective mechanism to reduce the size of the organisation. The city council is currently scheduled to make these payments back to the earmarked reserves more quickly than originally planned. This flexibility has been created by the proactive and decisive action taken by the city council in 2011/12. This one-off additional £1.1m in 2012/13 can be accommodated whilst still maintaining the planned level of repayment to the earmarked reserves in 2011/12.

Revenue and Capital Investment Aspirations 2012/13

Huge priority and importance was given to listening to the consultation feedback on the range of investment proposals. Positively, most of the ambitious ideas for change and investment have been supported and the majority view was that these were the right things to do in our city. A 'Save to Invest' strategy was put forward at the very beginning of the budget development. However, it was always recognised that it was critical to balance investment in the Mandate for Change priorities, whilst continuing to protect frontline services wherever possible. The investments have been prioritised to try to ensure that each one will make a difference to the future of our city. We prioritised the proposals using the following factors:

- Alignment with the mandate for change
- Scale of Impact
- Leverage / economic assessment to the City
- Achievability / deliverability

As expected the limited level of available resources led to further prioritisation having to be undertaken. In some instances a pragmatic scaling back of initiatives took place. A clear focus on delivering proportionate benefits for each and every pound invested was undertaken together with allowances for essential preparatory work for major physical infrastructure change programmes, e.g. feasibility studies, surveys, preliminary design etc. Job creation, economic prosperity and inward investment are the key outcomes desired from this approach.

The future capital investment programme is intentionally over-programmed, with the clear target of pursuing additional external funding, private sector investment and, where possible, further capital receipts through our ambitious asset rationalisation strategy. It is designed so that schemes can be phased, reviewed and, if necessary, put on hold until the resources required are identified and secured. The sequencing and management of this process is critical. These underlying principles are also important to ensure affordability. The city council has introduced a self-imposed cap on the level of financing charges at a maximum of £27m per annum in the future. It is expected that the 2011/12 capital programme will contain deliberately managed city council funding slippage to take account of other external funding opportunities. This flexibility has been built into the plan.

There are £25m capital receipts currently built into the funding of the 2011/12 – 2014/15 programme. There are also some obvious risks given the current status of the land and property market. The situation is under continual review and the momentum of the asset rationalisation programme is slowly beginning to increase. Resources are being invested to support capacity and delivery of the desired outcomes of this extremely important aspect of funding the future aspirations for the city. Prudently, no additional capital receipts are included at this time and the plan and programme will be constantly monitored throughout 2012/13.

The proposed investments for 2012/13 are shown overleaf. In some instances proposals will be delivered at no additional cost to the City Council; these are identified by the inclusion of a * in the appropriate column.



Make Stoke-on-Trent the place to bring business

To increase inward investment in the city we will...

| | Rev | Cap |
|---|---------------|---------------|
| Strengthen our Inward Investment Development Team to embed a "red carpet" service supporting new businesses wishing to invest in the city | £0.20m | - |
| Invest in resource so that we manage council assets more efficiently | £0.28m | - |
| Facilitate the development of Etruria Valley, and open up for further expansion by constructing new access links | £0.72m | £1.00m |
| Maximise marketing opportunities of the 2012 Olympics, Diamond Jubilee, the Staffordshire Hoard and other events to bring in over 3 million visitors. | £0.15m | - |
| City Centre - Central Business District enabling | £0.14m | £1.50m |
| Total | £1.49m | £2.50m |

To develop a skilled workforce across the city we will...

| | Rev | Cap |
|--|---------------|----------|
| Continue to develop the University Quarter and Stoke Town Centre. | £0.08m | - |
| Align the skills agenda across the city through closer working between businesses and schools. | * | - |
| Help local people gain skills and improve employment prospects. | * | - |
| Total | £0.08m | - |

To ensure we offer a streamlined planning service we will...

| | Rev | Cap |
|--|---------------|----------|
| Redesign the Planning Service to improve the customer experience and increase the number of positive developments within the city. | £0.20m | - |
| Total | £0.20m | - |

To provide green, low cost energy solutions we will...

| | Rev | Cap |
|--|---------------|----------|
| Deliver a range of low carbon projects to create a sustainable Stoke-on-Trent. | £0.56m | - |
| Reduce energy consumption across the city by updating homes to reduce heat loss. | £0.28m | - |
| Total | £0.84m | - |

| | | |
|--------------|---------------|---------------|
| Total | £2.61m | £2.50m |
|--------------|---------------|---------------|

Support and develop existing business

To deliver excellent connectivity and infrastructure we will...

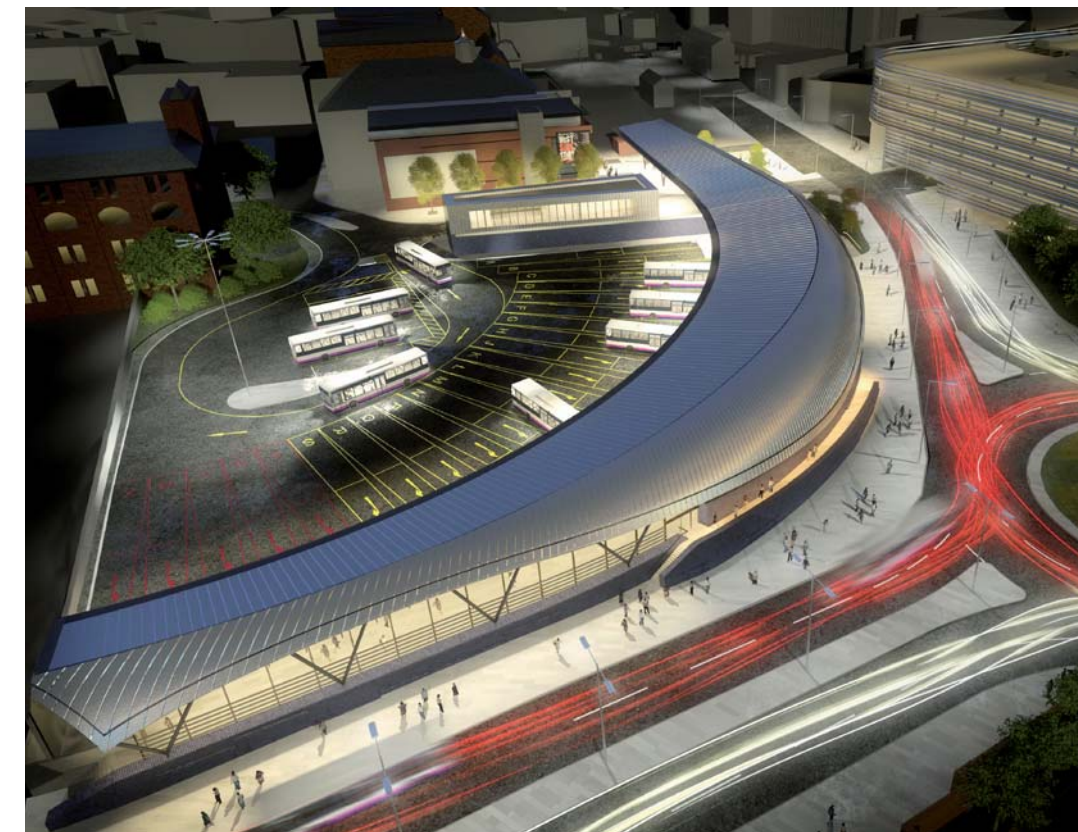
| | Rev | Cap |
|---|---------------|---------------|
| Complete the design of the City Centre ring road. | £0.10m | £0.30m |
| Improve the public realm in front of Stoke Station. | £0.16m | £1.39m |
| Reduce traffic congestion by investing in the current signal network and additional bus priority systems. | - | £0.30m |
| Improve the transport network. | - | £1.20m |
| Total | £0.26m | £3.19m |

To provide local businesses with financial packages and support we will...

| | Rev | Cap |
|---|---------------|----------|
| Launch new business support packages to support new and growing local businesses. | £0.05m | - |
| Total | £0.05m | - |

| | | |
|--------------|---------------|---------------|
| Total | £0.31m | £3.19m |
|--------------|---------------|---------------|

* no additional city council investment is required in 2012/13 to facilitate initiatives



Work with people to promote independence and healthy lives

To protect our most vulnerable people we will...

| | Rev | Cap |
|---|---------------|---------------|
| Increase the number of foster carers in the city. | £0.16m | - |
| Small group homes | £0.05m | £0.10m |
| Children's referrals | £0.60m | - |
| Total | £0.81m | £0.10m |

To help people reach their potential we will...

| | Rev | Cap |
|---|----------|---------------|
| Re-design services to improve pupil attainment. | - | £3.00m |
| Total | - | £3.00m |

To provide fair and easy access to care and services we will...

| | Rev | Cap |
|---|----------|----------|
| Invest in our capacity to complete major service redesigns which will: <ul style="list-style-type: none"> • Work with partners to improve hospital discharge; • Improve services that support independent living. | * | * |
| Provide access to information, advice services and community resources to ensure that individuals remain independent. | * | - |
| Total | * | * |

Total | **£0.81m** | **£3.10m**

Make Stoke-on-Trent a great city to live in

To boost the visitor economy we will...

| | Rev | Cap |
|--|---------------|---------------|
| Launch a range of city-wide events and festivals to increase the number of visitors. | £0.10m | £0.07m |
| Improve customer experience and quality of service in sports and leisure. | £0.05m | - |
| Total | £0.15m | £0.07m |

To provide a choice of good quality housing we will...

| | Rev | Cap |
|--|---------------|---------------|
| Hold a Housing Self-Build Competition to encourage diverse and high quality residential developments. | * | - |
| Bring more empty homes back into use to increase housing availability and reduce anti-social behaviour. | £0.15m | £0.20m |
| Facilitate home improvement loans to home-owners with restricted access to funding to improve local living conditions. | * | - |
| Total | £0.15m | £0.20m |

To keep the city safe and looking good we will...

| | Rev | Cap |
|---|---------------|----------|
| Take rigorous enforcement action against environmental crime. | £0.16m | - |
| Total | £0.16m | - |

Total | **£0.46m** | **£0.27m**

Develop an effective and confident council

To ensure we operate an effective and confident council we will...

| | Rev | Cap |
|---|---------------|----------|
| Deliver joined-up working in localities to improve customer satisfaction, access and response times. | £0.05m | - |
| Help Councillors become more effective by supporting the Member Development Charter. | * | - |
| Drive better value out of the council's procurement and commissioning arrangements. | £0.04m | - |
| Improve debt collection rates across all income streams. | * | - |
| Reduce costs by developing the expertise of staff to minimise reliance on external advice and consultants. | £0.11m | - |
| Enhance the quality of financial management information and make it available consistently and transparently to officers, members and the public. | * | - |
| Modernise our IT systems to ensure that they meet our business needs (2 year programme). | * | - |
| Improve security on PCs to reduce the risk of data loss. | * | - |
| Take a 'get tough' approach to fraudulent activity with a particular focus on benefit and tenancy fraud. | £0.21m | - |
| Total | £0.41m | - |

Total | **£0.41m** | **-**

| | | |
|-------------------------|---------------------------|---------------------------|
| Total Investment | Revenue £4.60m | Capital £9.06m |
|-------------------------|---------------------------|---------------------------|

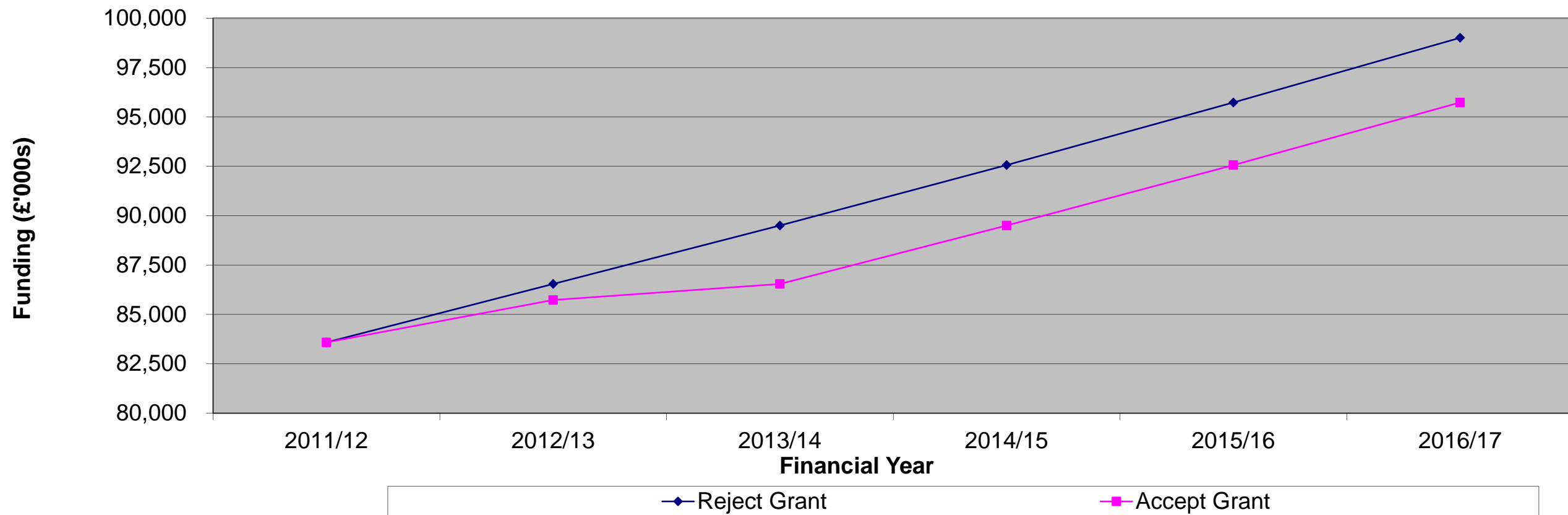
**Investing in our future.....
making Stoke-on-Trent a great working city**

Council Tax Considerations

The Chancellor of the Exchequer has offered a grant to incentivise the freezing of council tax for 2012/13. Unlike 2011/12's incentive, this is for one year only, and will become an immediate and significant pressure of £2m in 2013/14. There has been much debate and coverage nationally over the relative merits of this incentive and the key aspect centres on the short term nature of this incentive.

Sir Merrick Cockell, Chairman of the Local Government Association stated - *"Town halls up and down the country want to keep council tax down. The extra Government support for the next financial year will help us do that, but it is really important that everyone understands this is a one-off grant. Next year it won't be there. This means that councils, already facing bigger cuts than any other part of the public sector and delivering vital services to the most vulnerable members of our society, will have to budget for that shortfall. This can only be done on a council-by-council basis. It is only right that councils take a longer-term view on budget planning and that decisions on the level of council tax are made by councillors who will then rightly be held to account through the ballot box, which Government recognises. Local authorities provide vital services that people rely on and in order to carry on doing this effectively councils need to consider the long-term interests of their residents before deciding if they will take the Government's offer up."*

This is a very difficult choice – huge pressure is being exerted by Central Government on all authorities across the country to accept the one-off grant and not to increase council tax. At the same time no clarification is being provided on future revenue grant settlements except the absolute fact that this specific grant will not be available again in 2013/14. It is within this context and whilst also carefully considering the very difficult current economic challenges facing working families across the city that the debate has been undertaken. The city council can either accept £2m once only, or for an increase of 3.49% in council tax, receive £3m each and every year from 2012/13 onwards to help to deliver increased economic prosperity for the city and protect future service delivery arrangements. This is illustrated in the graph below.



Given the ambitious investment plans for change, the need to protect the revenue base and in order to minimise the risk and pressure in 2013/14 and in the future it has been decided to reject the council tax freeze grant for 2012/13. A council tax increase of 3.49% will therefore be recommended at City Council. The key rationale for this conclusion is based on the following facts:

- The mandate for change is key to improving the economic prosperity of Stoke-on-Trent and the increase in council tax revenue will support this programme
- Stoke-on-Trent has the lowest council tax out of the 9 billing authorities in Staffordshire and ranks 74th out of the 92 unitary and metropolitan councils across England
- If these authorities did not increase council tax and Stoke-on-Trent increased by 3.49%, then the city council would still rank 7th lowest out of 9 for Staffordshire and 61st out of 92 for unitary and metropolitan councils
- It has the 2nd lowest tax base compared to the 92 unitary and metropolitan councils with 94% of properties in bands A-C
- These properties only pay a proportion of the band D equivalent
- Of all council tax payers in the city 28.9% are in receipt of benefit: 21.2% are on full benefit; 7.7% are on partial benefit
- The most vulnerable will be protected

The table below illustrates the amounts each band will pay with a 3.49% increase in council tax. A band D property will pay an additional 77p a week; band A (61% of properties) 51p per week extra.

| Band | Value as at 1.4.91 | No of Properties | % No. of Properties | Ratio | City Council 2011/12 | City Council 2012/13 | Annual Increase | Weekly Increase |
|------|---------------------|------------------|---------------------|-------|----------------------|----------------------|-----------------|-----------------|
| | | | % | | £ | £ | £ | £ |
| A | Up to £40,000 | 69,101 | 61.07 | 6/9 | 762.37 | 788.97 | 26.60 | 0.51 |
| B | £40,001- £52,000 | 22,882 | 20.22 | 7/9 | 889.43 | 920.47 | 31.04 | 0.60 |
| C | £52,001- £68,000 | 14,428 | 12.75 | 8/9 | 1,016.49 | 1,051.96 | 35.47 | 0.68 |
| D | £68,001- £88,000 | 4,483 | 3.96 | 1 | 1,143.55 | 1,183.46 | 39.91 | 0.77 |
| E | £88,001- £120,000 | 1,663 | 1.47 | 11/9 | 1,397.67 | 1,446.45 | 48.78 | 0.94 |
| F | £120,001- £160,000 | 450 | 0.40 | 13/9 | 1,651.79 | 1,709.44 | 57.65 | 1.11 |
| G | £160,001 - £320,000 | 104 | 0.09 | 15/9 | 1,905.92 | 1,972.43 | 66.51 | 1.28 |
| H | Over £320,000 | 44 | 0.04 | 18/9 | 2,287.10 | 2,366.92 | 79.82 | 1.54 |
| | | 113,155 | | | | | | |

Recommended Savings Proposals

The principles underlying the savings strategy have remained constant and the direction of travel is positive. The approach will continue to:

- Delayer management and supervisors
- Redesign and modernise services to improve customer experiences, maximise efficiencies, and make the business fit for purpose
- Drive greater value from procurement and commissioning activity
- Rationalise the city's property and land portfolio to optimise usage and commercial returns
- Implement fair and appropriate charging regimes for services

Reflecting on the feedback from the consultation, it is clear that some proposals have caused concerns. This is understandable given the transformation journey that has commenced and the funding cuts from Central Government that the city council has had to manage. The city council has to continue to innovate and drive out costs and inefficiencies. It is critical that delivery arrangements need to change fundamentally in some areas. In order to make sure that we get it right first time we now propose to take a more considered approach where we can.

In some areas we also need to press ahead with our planned service reforms and changes to facilities. These outcomes apply in the following areas, together with the rationale for the continuation with the proposals and where appropriate some further reassurance of the process that we will follow.

Wedgwood College - Although this attracted the biggest support in numbers in the consultation, over 90% of the respondents were from outside the city with many from across the world, options are being considered and dialogue with interested parties is continuing but clarity for the future must be agreed soon.

Gladstone Pottery Museum – Feedback was mainly received from current users of the museum, and although they would have preferred no changes, the majority of the responses understood the need and supported the change in opening hours.

Social Care Reform – The budget proposals are consistent with the strategic intentions and direction of travel of the delivery of the personalisation and transformation programme for Adult Social Care as set out in the 'Achieving Personalised Services' blueprint. These plans include the need to provide increased investment in preventative and early intervention measures and also to offer a wider choice of solutions for service users. The service will continue to work closely with health service colleagues to ensure service users are discharged from hospital into appropriate services and provide a range of rehabilitation and reablement services to enable people to regain their independence following a stay in hospital or crisis period. Longer term support services will be positively encouraged in the private, independent and voluntary sectors and will be locally specific and person-centred. The proposals will ensure that value for money is being delivered by the divisions rehabilitative and reablement services. The service will continue to ensure that care continues to be provided to the highest possible standard and the most vulnerable citizens of the city receive the level and standard of care expected. All service users affected by the proposals will be supported in a sensitive timely and individual way to facilitate as smooth a change as possible. This further transformation will continue to ensure that services are customer centred and provide an even greater focus on customer requirements.

Concessionary bus passes - This proposal aligns the city council with the majority of other local authorities and the national scheme.

Etruria Industrial Museum – the city council are endeavouring to pursue a community asset transfer to try to ensure that the service will not be lost to the community.

School swimming - The introduction of the revised charges to schools will mean that schools pay for using facilities at a fair rate of charge including costs of pool hire and transport. Schools will pay for these costs out of their delegated budget.

As a direct response to the feedback that has been received some changes have been made across the following areas of concern and these will be incorporated into a balanced budget package for 2012/13. It was clear that the feedback that was received regarding the position of the Lord Mayor was that it is believed that the role is a key and important ambassador for the city. In response to the other concerns received the city council believes that its strategy in each of these other service areas is right and the need to modernise and redesign the delivery arrangements in order to operate off a lower cost base is critical. What these concessions bring is more time to carefully implement the proposals, dealing sensitively with the changes that need to happen. It is essential that the outcome of these proposals is delivered with due consideration of all options and consequences; phasing the implementation over a more measured timeframe will help this be achieved. The full summarised list of savings that are recommended is included at Appendix A.

| Savings Reference | Description | Original Proposal | Revised Proposal | Reduction in saving |
|-------------------|---|-------------------|------------------|---------------------|
| | | £000s | £000s | £000s |
| 2-CR11 | Cease Contribution to Safer Roads Partnership | 100 | 40 | (60) |
| 2-CR12 | Community Halls | 162 | 62 | (100) |
| 2-BS02 | Lord Mayor | 130 | 30 | (100) |
| 3-CR04 | Waste Service modernisation | 645 | 455 | (190) |
| 6-LOC02 | Youth Service - option 2 | 255 | - | (255) |
| 6-LOC03 | Localities transformation | 500 | 300 | (200) |
| | | 1,792 | 887 | (905) |

Conclusions

The financial challenges and economic uncertainty facing the country and indeed most of the world are well documented. The size of the UK's national deficit is unprecedented and is now over £1 trillion. Managing this situation will continue to remain the number one priority for Central Government. The government's approach and range of austerity measures have undoubtedly imposed a very tough financial settlement on Stoke-on-Trent. Sweeping national policy reforms covering health, education and welfare are also in the pipeline which will have a huge impact across the communities within our city. Against this uncertain background the city council has made significant progress to ensure a legal and balanced budget will be presented to City Council for consideration in February 2012.

The city council's approach to budget development and consultation has been bold and ambitious but also transparent and inclusive. The economic and operating environment within the city remains fragile and challenging, whilst expectations and demands on the city council continue to increase. The overall budget package includes investments into Mandate for Change priorities, funded by a combination of a 3.49% increase in council tax and savings proposals which will deliver a legal balanced budget for 2012/13. The recommended budget attempts to strike an appropriate balance between improving the economic prospects of the city and its citizens, protecting the most vulnerable and providing quality services at a lower cost.

Summary of Final Savings Proposals Recommended for 2012/13

| Savings Reference Number | Directorate | Short Description | Net Staff Decrease | | Net Reduction |
|--------------------------|-------------|---|--------------------|------------|---------------|
| | | | Occupied FTE | Vacant FTE | £'000 |
| 1-ANS02 | ANS | Learning Disability Provider Service Management (Handley Drive). | 1.00 | - | 30 |
| 1-ANS05 | ANS | Voluntary Sector - De-commissioning of non- essential services. | - | - | 100 |
| 1-ANS07 | ANS | Healthy Cities - reduced funding. | 0.50 | 0.50 | 36 |
| 2-ANS01 | ANS | Replace Care Assessor role with Social Work Assistants. | 8.81 | - | 28 |
| 2-ANS02 | ANS | Transformation of respite and short breaks for adults with Learning Disabilities. | - | - | 225 |
| 2-ANS03 | ANS | Commissioning & Innovation - restructure. | 3.70 | 3.50 | 317 |
| 2-ANS05 | ANS | Public Protection - refocusing Environmental Health / Trading Standards / Registrars / Bereavement care service delivery. | 1.60 | 1.50 | 160 |
| 2-BS08 | ANS | Review of the current procurement staffing structure to meet the demands of the business. | 1.00 | 1.00 | 33 |
| 2-LOC01 | ANS | Library Service - Transformation & Modernisation of the Service. | 3.27 | 2.00 | 100 |
| 2-LOC02 | ANS | Safer City Partnership Review of the Services - Option 1. | - | - | 165 |
| 3-ANS01 | ANS | Modernisation of Day Opportunities for adults with Learning Disabilities. | 1.00 | - | 140 |
| 3-CYP03 | ANS | Reduction in the central management team responsible for Children's Centres. | 1.00 | - | 84 |
| 3-CYP10 | ANS | Youth Offending Service - a redesign of YOS resources. | 2.10 | - | 57 |
| 3-LOC01 | ANS | Safer City Partnership Review of the Services - Option 2. | - | - | 628 |
| 3-LOC02 | ANS | Redesign Youth Service to focus on areas of greatest need - working with other partners. | 8.90 | - | 389 |
| 4-ANS01 | ANS | Modernisation of Long Term Residential, Respite and Reablement Services - Option 1. | 30.00 | - | 678 |
| 4-ANS02 | ANS | Mental Health S75 - Reduction in funding. | - | - | 390 |
| 4-LOC01 | ANS | Locality Working - Option 1.□ | 10.50 | 1.00 | 566 |
| 6-ANS02 | ANS | Modernisation of Long Term Residential, Respite and Reablement Services - Option 2.□ | 24.92 | - | 334 |
| 6-LOC01 | ANS | Educational Welfare - removal of 3 posts. | 2.70 | - | 84 |
| 6-LOC03 | ANS | Locality Working - Option 2. | TBD | TBD | 300 |
| 2-CE01 | CHEX | Review of PR & Communications functions. | 6.00 | - | 200 |
| 2-CE02a | CHEX | Executive restructure. | 1.00 | - | 106 |
| 1-ANS08 | CR | Sports & Leisure Services - Restructure. | 3.00 | - | 111 |
| 1-CR01 | CR | Review staff rotas and structures for Civil Enforcement. | - | - | 17 |
| 1-CR02 | CR | Review of back office services in Environmental Services. | 1.00 | - | 50 |
| 1-CR03 | CR | Remove the provision of some kerbside recycling collections in low participation areas. | - | - | 57 |
| 1-CR04 | CR | Restructure of Culture and Tourism team. | - | - | 21 |
| 1-CR05 | CR | Do not open Civic and Swann House on Saturdays for flexible working. | - | - | 25 |
| 1-CR06 | CR | Reduction in Passenger Transport co-ordination services. | 1.00 | - | 35 |
| 1-CR07 | CR | Review of funding options for cycling training provision. | 1.00 | - | 36 |

Appendix A

| Savings Reference Number | Directorate | Short Description | Net Staff Decrease | | Net Reduction |
|--------------------------|-------------|--|--------------------|------------|---------------|
| | | | Occupied FTE | Vacant FTE | £'000 |
| 1-CR08 | CR | Review of Technical Services Management Team. | 2.00 | - | 129 |
| 1-CR09 | CR | Review Internal Skip and Ampiroll Services. | 2.00 | - | 50 |
| 1-CR10 | CR | Building Control - Access Team review. | 1.00 | - | 35 |
| 1-CR11 | CR | Pursue external funding for social enterprise project. | - | - | 50 |
| 1-CR12 | CR | City Highways - redesign of service | 2.00 | 1.00 | 93 |
| 1-CR13 | CR | Review the Allotment Service Back Office Functions. | 1.00 | - | 21 |
| 1-CR14 | CR | Review of Playground Inspection Regime. | 1.00 | - | 23 |
| 1-CR15 | CR | Review of City Services management structure. | 5.00 | - | 137 |
| 1-CR16 | CR | Review of Reactive Teams within Environmental Services & Waste. | 2.00 | - | 47 |
| 1-CR17 | CR | Review of Public Open Space Maintenance (Large areas). | 2.00 | - | 46 |
| 1-CR18 | CR | Review of weed killing & football pitch maintenance. | 1.00 | - | 23 |
| 1-CR19 | CR | Review of Grounds & Cleansing Regimes. | 16.00 | - | 171 |
| 1-CR20 | CR | Review of Back Office Functions within Fleet, Environmental Services & Waste Services. | 0.40 | 1.60 | 21 |
| 2-ANS04 | CR | Northwood Stadium - increasing income generated. | - | - | 40 |
| 2-ANS06 | CR | Gladstone Pottery Museum - Review of opening hours. | 0.50 | 0.23 | 20 |
| 2-ANS07 | CR | Cessation of the Community Swimming Service. | - | - | 4 |
| 2-ANS08 | CR | Hardman Football Development Centre, Milton - transfer responsibility to management committee. | - | - | 12 |
| 2-ANS09 | CR | Cessation of the After School Swimming Service. | - | - | 17 |
| 2-ANS10 | CR | School Swimming - Review of Charges. | - | - | 50 |
| 2-CR01 | CR | Review of City and Town Centre Regeneration Structures. | 4.00 | 1.00 | 77 |
| 2-CR02 | CR | Stop Winter Season Organic Collections. | 7.50 | - | 170 |
| 2-CR03 | CR | Reduction in grants to Arts organisations. | - | - | 10 |
| 2-CR04 | CR | Economic Development Unit - restructuring. | - | - | 51 |
| 2-CR05 | CR | Pursue external funding for external commissioning. | - | - | 200 |
| 2-CR07 | CR | Review road safety activity. | 1.00 | - | 18 |
| 2-CR08 | CR | Review of team manager structures in planning and transportation. | 1.00 | - | 50 |
| 2-CR09 | CR | Cease Passenger Transport Information provision. | - | - | 93 |
| 2-CR10 | CR | Car Parking Services - restructure. | 3.00 | 1.00 | 95 |
| 2-CR11 | CR | Cease contribution to Staffordshire Safer Roads Partnership. | - | - | 40 |
| 2-CR12 | CR | Review of Community Halls service. | 5.47 | - | 62 |
| 2-CR13 | CR | Reduction in number of bedding plants. | - | - | 50 |
| 2-CR14 | CR | Review proactive and reactive watercourses budget. | - | - | 58 |
| 2-CR15 | CR | Transport and Engineering - restructure. | - | 1.00 | 38 |

Appendix A

| Savings Reference Number | Directorate | Short Description | Net Staff Decrease | | Net Reduction |
|--------------------------|-------------|--|--------------------|------------|---------------|
| | | | Occupied FTE | Vacant FTE | £'000 |
| 2-CR16 | CR | Review of Highways Asset Management service delivery.□□ | 2.30 | - | 56 |
| 2-CR17 | CR | Planning Service - redesign. | 3.00 | 1.00 | 158 |
| 2-CR18 | CR | Review of Cleansing operations within the City Centre. | 1.00 | 1.00 | 48 |
| 2-CR19 | CR | Review of Parks Maintenance. | 1.00 | 0.50 | 18 |
| 3-ANS02 | CR | Sports & Leisure - Removal of COSACSS Subsidy. | 1.73 | - | 32 |
| 3-CR01 | CR | Reduction in budget for reactive maintenance - street furniture etc. | - | - | 100 |
| 3-CR03 | CR | Asset Rationalisation Programme. | - | - | 500 |
| 3-CR04 | CR | Review of Waste Collection & Fleet Services. | - | - | 455 |
| 4-CR01 | CR | Closure of Wedgwood College & Conference Centre. | 8.12 | 2.30 | 28 |
| 4-CR02 | CR | Longton Town Hall marketing strategy to generate increased income. | - | - | 10 |
| 5-ANS01 | CR | Sports & Leisure - Alternative Delivery Model. | - | - | 65 |
| 5-CR01 | CR | No Concessionary Fare Scheme before 9.30 - alignment to statutory national concessionary fares scheme. | - | - | 100 |
| 1-ANS03 | CORP | External training procured through a new delivery model. | - | - | 50 |
| 1-ANS04 | CORP | Training function delivered via corporate arrangement. | - | - | 50 |
| 1-ANS06 | CORP | Single Corporate Complaints Service. | - | - | 15 |
| 1-CE01 | CORP | Restructure of HR & Transformation Division. | 1.31 | 7.59 | 350 |
| 2-BS01 | CORP | Debt Collection Service - reduction in agency staff. | - | - | 50 |
| 2-BS02 | CORP | Review transactional services (Exchequer and Financial Assessments). | 4.70 | 1.00 | 125 |
| 2-BS03 | CORP | Review of capital financing costs. | - | - | 400 |
| 2-BS04 | CORP | Remove General Fund contribution to general reserve. | - | - | 1,500 |
| 2-BS06 | CORP | Business Administration Team - delete two Administrator posts. | 2.00 | - | 41 |
| 2-BS07 | CORP | Income generation proposal for courier service. | - | - | 50 |
| 2-BS09 | CORP | Review of the Business Technology staffing structure. | 2.00 | 6.00 | 288 |
| 2-CE02b | CORP | Executive restructure. | - | 1.00 | 106 |
| 2-CE03 | CORP | Review the spend on external recruitment advertising (excl schools). | - | - | 109 |
| 2-CE04 | CORP | HR Initiatives. | - | - | 25 |
| 3-BS01 | CORP | Restructure of the Finance Division. | - | 8.75 | 225 |
| 3-BS02 | CORP | Reduction in Lord Mayor's expenses and civic expenses budgets. | - | - | 30 |
| 3-BS03 | CORP | Reduction in secretarial staff in line with the corporate restructure. | 3.00 | - | 71 |
| 4-BS01 | CORP | Land Registration staff reduction. | 1.80 | 1.00 | 72 |
| 4-BS02 | CORP | Review of mail and postal options. | - | - | 10 |
| 4-BS03 | CORP | Procurement - Category Management review. | - | - | 500 |
| 1-CYP01 | CYP | Costs of Merit to be charged to the Dedicated Schools Grant. | - | - | 62 |

| Savings Reference Number | Directorate | Short Description | Net Staff Decrease | | Net Reduction |
|--------------------------|-------------|--|--------------------|--------------|---------------|
| | | | Occupied FTE | Vacant FTE | £'000 |
| 1-CYP02 | CYP | Costs of Independent Sector and Out of City Education to be charged to the Dedicated Schools Grant. | - | - | 82 |
| 1-CYP03 | CYP | Hospitality - catering service rationalisation. | 4.27 | - | 150 |
| 1-CYP04 | CYP | Insurance Provision for Schools - Employers liability. Removal of General Fund subsidy. | - | - | 370 |
| 1-CYP05 | CYP | Removal of the General Fund element relating to the school improvement service. | - | - | 480 |
| 1-CYP06 | CYP | Delete 2 vacant senior advisor posts in the early years quality team. | - | 2.00 | 100 |
| 2-CE02c | CYP | Executive restructure. | 2.00 | - | 212 |
| 2-CYP01 | CYP | Reduce the level of expenditure in training and staff cover in private, voluntary and independent early years providers. | 1.00 | 1.00 | 500 |
| 2-CYP02 | CYP | Small Group Homes - Invest to save scheme. | - | - | 142 |
| 2-CYP03 | CYP | Small Group Homes - redesign of management. | - | - | 150 |
| 3-CYP01 | CYP | Reduce training budget across the Directorate. | - | - | 110 |
| 3-CYP02 | CYP | Proposed reduction of 0.8 FTE early years development officer. | - | 0.80 | 31 |
| 3-CYP04 | CYP | Home to School Transport - removal of subsidy to faith schools transport. | - | - | 12 |
| 3-CYP05 | CYP | Reduction in staff responsible for the quality assurance of placements for children in care. | 1.00 | - | 30 |
| 3-CYP06 | CYP | Aiming High for Disabled Children - efficiency from new contract. | - | - | 50 |
| 3-CYP07 | CYP | Family Information Service - non replacement of items for the equipment library. | - | - | 90 |
| 3-CYP08 | CYP | NSPCC contract. Contract ceased in March 2011. | - | - | 40 |
| 3-CYP09 | CYP | Reduction of 1 Strategic Manager within CYPS. | 1.00 | - | 76 |
| 5-CYP01 | CYP | Review of the capacity within the Placement Support Team. | 2.00 | 0.40 | 87 |
| 6-CYP01 | CYP | Home to School Transport - removal of subsidy for post 16 transport. | - | - | 30 |
| 6-CYP02 | CYP | Review of service support management in Children's Social Care to provide efficiency savings and ensure statutory standards are met. | 1.00 | - | 42 |
| 6-CYP03 | CYP | Reduction in Social Care Out of City Placement budget by 5%. | - | - | 326 |
| 6-CYP04 | CYP | Savings will be achieved by re-designing the current structure to reflect local need in line with national thinking. | 7.60 | 2.00 | 350 |
| 6-CYP05 | CYP | Parent Partnership - Removal of part-time post. | - | 0.60 | 18 |
| | | | 223.70 | 52.27 | 16,680 |
| | | Already Committed (Budget consultation document Appendix D) | 8.24 | 16.28 | 3,281 |
| | | Total Recommended Savings Proposals | 231.94 | 68.55 | 19,961 |

Full information on each of the savings proposals can be found in the budget consultation document which can be accessed using the link below.

<http://www.stoke.gov.uk/ccm/content/council-and-democracy/finance/accounts/budget-books/budget-development-consultation-2012-13---2014-15.en>

