



Cabinet Meeting

25 June 2014

Report title	Managing the Budget Cuts – The Next Phase	
Decision designation	AMBER/RED	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
Originating service	Delivery	
Accountable employee(s)	Mark Taylor Tel Email	Assistant Director Finance 01902 55(6609) mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	12 June 2013

Recommendation(s) for action or decision:

That Cabinet recommend that Council approves:

1. The revised budget requirement for 2014/15 of £235.9 million for General Fund services, which is a reduction of £1.7 million as a result of the additional savings that have been identified to date.
2. The implementation of the additional savings proposals, amounting to £1.7 million in 2014/15, subject to the outcome of appropriate and satisfactory scrutiny, consultation and equality analyses (see paragraph 4.3).

That Cabinet is recommended to:

3. Approve the overarching strategy to deliver the £25 million for 2015/16 as (see paragraph 2.3).
4. Approve that the savings proposals amounting to £16.4 million in 2015/16, be further developed for inclusion in the draft 2015/16 budget to be reported to Cabinet in October 2014 (see paragraph 3.1).

Recommendations for noting:

That Cabinet recommend that Council notes:

1. In addition to the 2014/15 savings proposals that are being approved it is anticipated that there will be further savings from other, as yet unquantified, proposals as well as from the acceleration of some of the existing savings proposals (see paragraph 4.4).
2. All additional savings identified and delivered during 2014/15 will further reduce the call on the General Fund balances during 2014/15 and therefore contribute directly towards the aim of holding at least £10 million in the General Fund balance (see paragraph 4.5).

That Cabinet is asked to note:

3. That while progress is being made against the council's agreed budget strategy, additional work is underway in order to deliver the agreed strategy to address the projected budget deficit; namely to identify a further £7 million of savings for 2015/16 (see paragraph 2.6).
4. That whilst the savings proposals identified are not sufficient to rebuild general reserves to the minimum £10 million level in 2015/16, it is projected that there would still be an uncommitted sum in hand. Whilst this represents progress against the council's agreed budget strategy, work must continue in order to achieve the minimum recommended level of £10 million in 2015/16 and to avoid exhausting general fund balances by early 2016/17 (see paragraph 2.9).
5. That the projected general fund balance is subject to change as the 2013/14 accounts are still being closed, any resulting variance to the projections within this report will be reflected in the October budget report to Cabinet (see paragraph 2.10).
6. That due to the uncertainty surrounding the future of public finances in 2015/16 and beyond, and the existing assumptions concerning the successful delivery of significant levels of challenging savings, the projected additional savings requirement in each of the next four financial years could still change significantly as more information becomes available.

1. Purpose

- 1.1 This report identifies additional savings for both 2014/15 and 2015/16 in accordance with the strategy set out in the five year budget and medium term financial strategy (MTFS) 2014/15 to 2018/19, that was approved by Cabinet in February 2014 and Full Council in March 2014.
- 1.2 This report is the first of the financial year on the budget and MTFS and provides an update on some key factors and the risks in relation to them.

2. Summary

- 2.1 The budget challenge identified in the January 2014 report to Cabinet was £123 million. This followed successive cuts in Government grant support to councils which has led to a drastic reduction in the financial resources available to the Council at a time when cost pressures and demand on services has continued to grow. Between 2010/11 and 2016/17 funding to local government will have been reduced by a third and Wolverhampton will have received a cut of some 40% in real terms by 2014/15. The deficit was partially addressed by the significant savings that were proposed and agreed as part of the 2014/15 budget development process, which left £59 million of the £123 million still to identify.
- 2.2 As a result the report to Cabinet on 25 February 2014 which recommended the 2014/15 budget to Council for approval also recommended that Council approve the following in order to tackle the remaining projected budget deficit:
 - A minimum of £25 million of additional savings for 2015/16 should be identified and reported to Cabinet in June 2014, in order to demonstrate that a balanced budget can be achieved and that general reserves can be partially replenished.
 - That additional savings for 2014/15 should be identified and reported to Cabinet in June 2014 and then Council in July 2014 in order to revise the 2014/15 budget and reduce the call on general reserves.
 - That a further £35 million of additional savings should be identified, taking the total additional savings to be identified to £60 million, in order to address the projected budget deficit over the medium term to 2018/19.
- 2.3 The strategy above will result in the Council having a sustainable budget over the medium term. In particular it should be noted that the achievement of the £25 million additional savings in 2015/16 would mean that the level of additional savings required for 2016/17 would be approximately £8 million, a tough but more sustainable target than in recent years.
- 2.4 Work has therefore been in progress since the 2014/15 budget was set to identify the required savings. As a result the overarching strategy, set out in table 1 below, to deliver

the £25 million for 2015/16 has been developed and approval of this is sought within this report:

Table 1 – Overarching savings strategy

Directorate	Saving Target £000
Community	
Adults/Children (demand management)	15,000
Other Areas	2,000
Education & Enterprise	1,500
Delivery	3,000
Office of the Chief Executive	200
Delivery - Corporate	1,000
To be Allocated	2,300
Total	25,000

- 2.5 The significant work that has taken place to date has resulted in the identification of savings proposals amounting to £18.1 million for 2015/16, £1.7 million of which can be achieved during 2014/15. This does, however, include £12 million of savings on adults and children's services, principally relating to demand management, which represent stretch targets.
- 2.6 While this represents progress against the Council's agreed budget strategy, work is continuing to deliver the agreed strategy to address the projected budget deficit; namely to identify a further £7 million of savings for 2015/16. The projected position after taking account of the savings that are identified within this report (sections 4 and 5) is summarised in table 2 below:

Table 2 – Projected remaining budget deficit

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Projected remaining budget deficit (cumulative)	11,827	21,261	32,894	50,541	59,190
Savings proposals identified	1,684	16,418	(730)	(350)	(91)
Revised projected remaining budget deficit (cumulative)	10,143	3,159	15,522	33,519	42,259

- 2.7 As well as the savings that can be quantified that are set out in this report, there are a significant number of proposals that are as yet unquantified. Further details are provided in sections 4 and 5. It is anticipated that these will provide a significant contribution towards the additional £7 million that is required for 2015/16.

- 2.8 Table 3 below sets out the projected uncommitted General Fund balance after taking account of the savings identified to date:

Table 3 – Projected uncommitted General Fund balance

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Projected balance as at March 2014	(4,512)	16,749	49,683	100,184	159,374
Cumulative effect of savings proposals identified	1,684	19,786	37,158	54,180	71,111
Revised projected balance	(6,196)	(3,037)	12,525	46,004	88,263
Shortfall against £10 million minimum	3,804	6,963	22,525	56,004	98,263

- 2.9 As can be seen, whilst the savings proposals identified are not sufficient to rebuild general reserves to the minimum £10 million level in 2015/16, it is projected that there would still be an uncommitted sum in hand. Once again this represents progress against the Council's agreed budget strategy; however, work must continue in order to achieve the minimum recommended level of £10 million in 2015/16 and to avoid exhausting general fund balances by early 2016/17.
- 2.10 It should also be noted that the projected general fund balance is subject to change as the 2013/14 accounts are still being finalised. The outturn for 2013/14 will be reported to Cabinet on 23 July 2014, therefore, any variance to the projected figures above will be reflected in the October budget report to Cabinet.
- 2.11 Due to the success of achieving the agreed strategy to stop all but essential spend in 2013/14 it is anticipated that the outturn will be more favourable than reported for Quarter 3. If this is the case the general balances position will be better than that shown in table 3 above. **This will, however, be a one-off benefit to reserves and will not affect the ongoing budget challenge.**

3. Additional Savings for 2015/16

- 3.1 The additional 2015/16 savings proposals that have been identified and are quantifiable at this stage are summarised by Cabinet portfolio in table 4 below:

Table 4 – Additional Savings Proposals for 2015/16 by Cabinet Portfolio

Cabinet Portfolio	No.	2015/16 £000	Later Years* £000
Resources	8	361	(325)
Leisure and Communities	4	580	-
City Services	8	630	(630)
Economic Regeneration and Prosperity	5	225	(125)
Health and Well Being	1	350	500
Adult Services	8	8,665	(350)
Children and Families	6	5,607	(241)
	40	16,418	(1,171)

* figures reported in brackets represent a reduction to previously approved savings proposals in later years due to these being accelerated and implemented in earlier years.

- 3.2 Further details regarding the savings in table 4 are provided in appendix A. Where appropriate further details on individual savings proposals are available on the Council's website using the following link <http://www.wolverhampton.gov.uk/budgetsavings>
- 3.3 In addition to those quantifiable savings, the savings proposals shown in appendix A include a number that are yet to be fully quantified. These are therefore excluded from the figures included in table 4 above. It is anticipated that once these proposals have been fully evaluated they will make a significant contribution towards the additional £7 million that is required for 2015/16.
- 3.4 In addition to the proposals in appendix A work is continuing to identify further savings proposals in order to deliver the £25 million target.
- 3.5 The outcome of the work to identify further savings will be reported to Cabinet in October 2014.

4. Budget Revisions for 2014/15

- 4.1 The additional 2014/15 savings proposals that have been identified and are quantifiable at this stage are summarised by Cabinet portfolio in table 5 below:

Table 5 – Additional Savings Proposals for 2014/15 by Cabinet Portfolio

Cabinet Portfolio	No.	2014/15 £000
Resources	3	1,100
Governance and Performance	1	44
Health and Well Being	1	150
Adult Services	1	150
Children and Families	3	240
	9	1,684

- 4.2 Further details regarding the savings in table 5 are provided in Appendix A. Where appropriate further details on individual savings proposals are available on the Council's website using the following link <http://www.wolverhampton.gov.uk/budgetsavings>
- 4.3 It is proposed that Cabinet recommends that Council approves that, the 2014/15 budget be amended to reflect the savings in table 5, subject to the results of appropriate and satisfactory consultation, equality analysis and scrutiny. This will reduce the budgeted call on general reserves by £1.7 million to £10.1 million and reduce the 2014/15 net budget requirement to £235.9 million.
- 4.4 In addition to the savings identified above it is anticipated that there will be further savings from other proposals that are shown in appendix A but are, as yet, unquantified. It is also anticipated that some of the savings may exceed their targets in 2014/15. An analysis showing the savings to be quantified is shown in table 6 below:

Table 6 – Savings to be Identified

Directorate	Identified £ m	To be Identified £ m	Total £m
Community			
Adults/Children	14.7	0.3	15.0
Other Areas	0.6	1.4	2.0
Education & Enterprise	0.7	0.8	1.5
Delivery	1.2	1.8	3.0
Delivery - Corporate	0.9	0.1	1.0
Office of the Chief Executive	-	0.2	0.2
To be Allocated	-	2.3	2.3
Total	18.1	6.9	25.0

- 4.5 All additional savings identified and delivered will further reduce the call on the General Fund balances during 2014/15 and therefore contribute directly towards the aim of

holding at least £10 million in the General Fund balance. Further updates on the outcome of this work will continue to be reported to Councillors throughout 2014/15.

5. Update on Key Factors

- 5.1 The Council opened phase 3 of its voluntary redundancy programme on 13 February 2014 with a closing date of 31 March 2014. The current position regarding the voluntary redundancy programme is shown in table 7 below:

Table 7 – Voluntary redundancy status

	Phases 1 and 2	Phase 3	Total
Total expressions of interest	944	441	1,385
Approved	403	124	527
Rejected	159	57	216
To be decided	-	78	78
Withdrawn by employee	382	182	564

- 5.2 The estimated annual savings from the 527 approved redundancies are £14.2 million, while the estimated cost of redundancies is unchanged from the previously reported £10.8 million. The costs will however be reassessed ahead of the October 2014 report to Cabinet.
- 5.3 The Government is currently consulting on a cut for 2015/16 in the Education Service Grant (ESG) funding which is expected to be approximately 20%. However, before making a final decision on the level of reduction in the ESG the Government wants to gain the view of authorities about how the grant is currently used, how much money could be saved, the impact of making these savings, and what further help it could provide local authorities to deliver these savings and whether there are any functions that could be stopped. If, as anticipated, the cut is 20% this will result in a reduction in the grant received of £840,000 thereby increasing the financial challenge facing the Council still further.
- 5.4 The assumptions used in the preparation of the budget and MTFS remain under constant review and an update will be reported to Cabinet for approval in October 2014.

6. Budget Risk Management

- 6.1 The overall level of risk associated with the five year budget and MTFS for 2014/15 to 2018/19 continues to be assessed as Red. The six main areas of risk are summarised in the table at appendix B.

7. Financial Implications

- 7.1 The financial implications are discussed in the body of the report
[NA/11062014/U]

8. Legal Implications

- 8.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any savings proposals.
- 8.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 8.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its council tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.
- 8.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 8.5 In addition, section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '...make a report ... if it appears to him that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':
- (a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
 - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
 - (c) is about to enter an item of account the entry of which is unlawful.
- 8.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to him that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

- 8.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2014/15.
[RB/1106/2014/L]

9. Equalities Implications

- 9.1 Under the Equality Act 2010, the council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the council identify the particular needs of different groups and reduce the likelihood of discrimination, the nine equality strands covered in the legislation are:

- Age;
- Disability;
- Gender reassignment;
- Marriage and Civil Partnership (this strand only applies to employment and not to service delivery);
- Pregnancy and Maternity;
- Race;
- Religion or Belief;
- Sex, and
- Sexual Orientation.

The strands include everyone

- 9.2 In relation to determining the overall revenue budget for the council there is always a difficult balance to be struck in deciding the levels at which to invest, reduce expenditure and raise income set against the often competing needs of different groups within the Wolverhampton community.
- 9.3 In order to address these complex issues the council operates an open and consultative approach to budget and council tax determination. Year-on-year and medium term spending forecasts are provided to every household and business ratepayer within the city as part of the documentation which accompanies the council tax demand.
- 9.4 Budget consultation meetings have been held with the education community, the business community, the voluntary sector, communities of interest and trade unions. The council's budget consultation approach has also included online surveys and a telephone hotline in order to gain feedback on budget and service priorities.
- 9.5 In determining the budget for 2014/15 considerable focus has been placed on the development of savings proposals. All of these proposals have been subject to an equality analysis screening and where necessary a full equality analysis has been conducted.
- 9.6 The Council is facing a particularly challenging short and medium term financial environment in which savings must be generated and a tight control on spending maintained. This means that a greater focus than ever is necessary to ensure that core equalities commitments are met. In determining the 2014/15 budget particular attention

has been given to attempts to lessen any adverse impact of proposals on individuals and communities in most need.

- 9.7 In summary the council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives. A cumulative equalities analysis has been conducted on the overall budget proposals, including the overall impact of job losses. This can be found on the Council's website via the following link: <http://www.wolverhampton.gov.uk/budgetsavings>
- 9.8 Councillors should also be aware that under the Equality Act 2010, they must comply with the Public Sector Equality Duty (PSED) when making budget decisions. What this means in practice is that Councillors must consciously think about the three aims of the public sector equality duty as part of the decision making process, the three aims are to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation;
 - Advance equality of opportunity by removing or minimising disadvantages, meet differing needs and encouraging participation, and
 - Foster good relations between people from different groups.
- 9.9 The Act does not require the council to treat everyone in the same way; sometimes different treatment is required, for example, be making reasonable adjustments to meet the needs of disabled people.
- 9.10 Consideration of equality issues must influence the decisions reached by public bodies including:
- How they act as employers;
 - How they develop, evaluate and review policy;
 - How they design, deliver and evaluate services, and
 - How they commission and procure from others.
- 9.11 The Brown Principles, established as a result of a legal case concerning Post Offices closures in 2008, provide an important checklist that should be considered when making decisions:
- Decision makers must be made aware of their duty to have due regard to the identified goals;
 - Due regard must be fulfilled before and at the time that a particular decision is being considered, not afterwards;
 - The duty must be exercised in substance, with rigour and with an open mind. It is not a question of ticking boxes;
 - The duty is cannot be delegated; it must be fulfilled by the organisation in question rather than through the use of an external body to do it to the organisation;
 - The duty is a continuing one, and

- It is good practice to keep an adequate record showing that it has considered the identified needs.

10. Environmental Implications

- 10.1 Environmental implications will be addressed on a case by case basis as part of individual savings proposals.

11. Human Resources Implications

- 11.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form has been issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce the workforce by up to 1,000 jobs across the Council in the period up to December 2014. The HR1 covers the current voluntary redundancy programme and savings proposals which will result in compulsory redundancies. A further HR1 based on additional proposals will be required from December 2014.
- 11.2 Reductions in employee numbers will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment. Given the volume and range of savings being proposed, there will be reductions in services and employee numbers which will require fair and due process to be followed regarding consultation, selection and implementation of any compulsory redundancies. The accelerated timetable for achieving savings in the light of the financial settlement is likely to require the Council as an employer to utilise the statutory 45 day and 30 day consultation periods for some service reductions, rather than the best practice position of allowing, where possible, 90 days.
- 11.3 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. Proposals to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations.
- 11.4 There is ongoing consultation with the trade unions on the impact Council's budgetary position and the proposals being made to meet the challenges posed by it.

12. Corporate Landlord Implications

- 12.1 Corporate landlord implications will be addressed on a case by case basis as part of individual savings proposals.

13. Schedule of Background Papers

- 13.1 Report to Cabinet 25 February 2014 - 5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19

Appendix A

Savings Proposals by Cabinet Portfolio

Children and Families

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Children's Short Breaks administration	Community	19	19	-
Youth Zone – lower funding requirement	Community	-	350	(150)
Special Educational Needs Reform Grant efficiencies	Community	140	(140)	-
Looked After Children	Community	-	5,000	-
Commissioning – Bring forward 18/19 savings*	Community	-	91	(91)
Housing Support & Social Inclusion*	Community	81	287	-

* These savings are joint with Adult Services

Adult Services

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Promoting Independence - Older People, Younger Adults & Mental Health	Community	-	7,000	-
Efficiency Savings in staff from the implementation of the Care Act	Community	-	1,000	(350)
In-house Provision – Adult Short Breaks	Community	-	100	-
In-house Provision – Employment Old Tree Nursery	Community	-	199	-
In-house Provision – Supported Employment	Community	-	97	-
In-house Provision – High Support Day Service (Oxley)	Community	-	50	-
Neighbourhood Support*	Community	-	300	-
CareLink	Community	-	219	-
Other statutory recharge from HRA	Community	150	-	-

* This saving is part of an existing savings proposal already within the MTFS. It is included here as this specific element has now been quantified and a savings report is available on the website via the following link: <http://www.wolverhampton.gov.uk/budgetsavings>. The value shown has therefore been excluded from the savings totals in the body of the report.

Appendix A

Savings Proposals by Cabinet Portfolio

Leisure and Communities

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Blakenhall Healthy Living Centre (reduce subsidy)	Community	-	100	-
Cease Neighbourhood Wardens Service	Education & Enterprise	£	480	-
Accelerate the reconfiguration of internally delivered cultural services, including new models of management/ income generation/external income and trading	Education & Enterprise	-	££	(££)
Accelerate grant reductions to externally provided cultural facilities i.e. Grand Theatre, Lighthouse Media Centre	Education & Enterprise	-	£	(£)

City Services

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Public Realm - cease all non-core business activity or recover all costs	Delivery	-	£	-
Bereavement Services channel shift	Delivery	-	£	-
Outsourcing the 24 hour control centre	Delivery	-	-	£
Street Lighting energy contract	Delivery	-	-	£
Highways maintenance - further mechanisation, review of opportunities to capitalise and service levels	Delivery	-	400	(400)
Extend review of the reconfiguration of the Waste and Collection Service	Delivery	-	£	(£)
Efficiencies in food waste collection service	Delivery	-	230	(230)
Contract management reduction (one post)	Delivery	-	£	(£)

Where savings proposals are yet to be fully quantified the following key has been used:

£ = up to £100,000

££ = £100,000 to £500,000

£££ = over £500,000

Appendix A

Savings Proposals by Cabinet Portfolio

Economic Regeneration and Prosperity

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Strategic Asset Review	Education & Enterprise	-	££	-
Accelerate Savings on external provision of Transport services	Education & Enterprise	-	75	(75)
New combined Housing service	Education & Enterprise	-	100	-
Disabled facilities grant (DFG) – systems review leading to on-going reductions.	Education & Enterprise/ Community	-	£	££
Accelerate Savings on external trading of Education & Enterprise services	Education & Enterprise	-	50	(50)

Health and Wellbeing

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Improving health outcomes across the wider determinants of health	Community	150	350	500

Where savings proposals are yet to be fully quantified the following key has been used:

£ = up to £100,000

££ = £100,000 to £500,000

£££ = over £500,000

Appendix A

Savings Proposals by Cabinet Portfolio

Resources

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Revs and Bens restructure	Delivery	100	100	-
Council tax benefit overpayments one-off/short-term benefit (collection fund)	Delivery	-	50	-
Advertising Income	Delivery	-	50	-
Sharing Services Across the Black Country	Delivery	-	50	50
Treasury Management technical changes	Delivery	100	-	-
Treasury Management commercial loans opportunities	Delivery	-	50	-
Treasury Management savings from capital programme review and impact of 2013/14 outturn	Corporate	900	(14)	(300)
Internal Audit acceleration to existing savings	Delivery	-	75	(75)

Governance and Performance

Description of Saving	Directorate	2014/15 £000	2015/16 £000	Later Years £000
Chief Officers' Annual Increments Voluntarily Forgone	Office of the Chief Executive	8	-	-
	Delivery	16	-	-
	Community	11	-	-
	Education & Enterprise	9	-	-

Where savings proposals are yet to be fully quantified the following key has been used:

£ = up to £100,000

££ = £100,000 to £500,000

£££ = over £500,000

Appendix A

Further details on the specific savings proposals listed below are available on the Council's website via the following link <http://www.wolverhampton.gov.uk/budgetsavings>

- Housing Support & Social Inclusion
- In-house Provision – Adult Short Breaks
- In-house Provision – Employment Old Tree Nursery
- In-house Provision – High Support Day Service (Oxley)
- Neighbourhood Support
- CareLink
- Blakenhall Healthy Living Centre (reduce subsidy)
- Cease Neighbourhood Wardens Service

Appendix B

General Fund Budget Risks 2014/15 – 2018/19

Risk	Description	Level of Risk
Financial and Budget Management	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, staff vacancy factors, VAT rules, loss of ICTS facilities, treasury management activity and the impact of single status and budget management failure.	Amber
Transformation Programme	Risks that might materialise as a result of not identifying savings, not delivering the savings incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering savings and downsizing the workforce.	Red
Income and Funding	Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts.	Red
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and personal taxation rules and, in particular, from the Care Bill	Red

Details of the risk control measures that are in place in order to manage and mitigate the risks as far as possible have been published on the Council's Website and can be found via the following link <http://www.wolverhampton.gov.uk/budgetsavings>.