

# Cabinet Meeting

## 20 July 2016

<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Mark Taylor	Director of Finance
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<b>Report to be/has been considered by</b>	Strategic Executive Board	8 July 2016
	Confident Capable Council Scrutiny Panel	14 September 2016

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### Recommendations for decision:

That Cabinet is recommended to approve:

1. That the budget reduction and income generation targets amounting to £21.9 million in 2017/18, be further developed, including the necessary equalities analyses, for inclusion in the Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, to be reported to Cabinet in October 2016 for approval to proceed to the formal consultation and scrutiny stages of the budget process.
2. The commencement of initial consultation and/or stakeholder engagement relating to individual budget reduction and income generation opportunities, where this is necessary in order that they can be fully developed ahead of the Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20 being reported to Cabinet in October 2016.

3. A high level strategy to address the projected budget deficit over the medium term; namely identifying £32.4 million of budget reduction and income generation proposals in 2018/19 and 2019/20; allocating the People Directorate with a target of identifying a further £18.0 million of budget reduction and income generation proposals by 2019/20, with the remaining £14.4 million to be identified by the rest of the Council. The outcome being that the People Directorate and the rest of the Council share the £54.6 million projected deficit in equal proportions overall.
4. That work starts immediately to identify additional budget reduction and income generation targets to address the projected budget deficit in 2018/19, in order to ensure that a balanced budget can be set.
5. The prudent postponement of the previously approved 'Reduce the Number of Councillors' budget reduction totalling £90,000 from the Medium Term Financial Strategy in 2018/19, until the outcome of the Boundary Commission work is known. Current indications are that this work will not be complete by 2018/19.

#### **Recommendations for noting:**

That Cabinet is asked to note:

1. That the updated projected deficit assumes the achievement of budget reduction proposals amounting to £37.4 million over the four year period to 2019/20. Having identified budget reductions in excess of £175.0 million over the last six financial years, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.
2. That due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
3. That while significant progress is being made towards identifying the projected budget deficit for 2017/18; work continues to identify possibilities to deliver the remaining £0.3 million of budget reduction and income generation targets for 2017/18.
4. That over the forthcoming months, Service Directors, Heads of Service and relevant Budget Managers will be participating in 'Review, Challenge and Progress' meetings. The aims of the meetings are to review and challenge the current budget provision for each service, to consider commercialisation opportunities and to consider how the service can achieve even better value for money and efficiencies. As a result of conducting the 'Review, Challenge and Progress' meetings, it is anticipated that ideas for generating budget reduction and income generation targets in the short and medium term will be discussed and further developed with support from Strategic Finance. In addition to this, the Council seeks to maximise benefits available from income generation, digital transformation, demand management and outcome based service

planning workstreams that are currently on-going, however it is important to note that it is likely that there will still have to be further cuts to services. An update on progress will be presented to Cabinet in October 2016.

5. That the General Fund revenue outturn position for 2015/16 was a net underspend of £9.4 million (-4.20%) against the net budget requirement of £224.9 million, as reported to Cabinet at this meeting in the Revenue Budget Outturn 2015/16 report.
6. That the positive General Fund outturn position for 2015/16 will help to support the Council's short term financial position, enabling one-off investment to support transformation of the Council, however, it is important to note that it does not address the challenging financial position that the Council finds itself in over the medium term; as detailed in this report.
7. That an element of the underspend arising within the 2015/16 General Fund outturn is already factored into the Council's Medium Term Financial Strategy (MTFS), including the early achievement of approved budget reductions.
8. That the Council's General Fund Balance remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget reductions and income generation proposals to meet the projected budget deficit over the medium term.
9. That there is an element of uncertainty surrounding the potential impact that the European Union referendum result will have on Local Government. In the event that the challenge increases in 2017/18, it will be necessary to identify more budget reduction and income generation proposals to ensure that the minimum of £10.0 million in the General Fund Balance is maintained for 2017/18.
10. That the Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, including the risk register, will be updated during the 2017/18 budget setting process to incorporate an update to assumptions and projections arising as a result of emerging information. At the time of writing, there continues to be an element of uncertainty regarding Public Health and Better Care Funding information for future years and the potential transfer of responsibilities that the Government have alluded to. Updates will be reported to Cabinet in the forthcoming months.
11. The Local Government Association recently conducted a Finance Peer Review at the Council. The initial feedback that was received from the team was very positive, and recognised that there has been significant progress, developments and improvements at the Council, which has resulted in a good grasp of the current budgetary position and future financial challenge. They recommended that it may be timely to revisit and review some of the assumptions built into the Medium Term Financial Strategy, and to also review the assessment of budget risks. An action plan is currently being developed, and will be reported to Cabinet and Confident Capable Council Scrutiny Panel over the forthcoming months.

12. That the 2017/18 budget timetable will, as in previous years, include an updated report presented to Cabinet in October 2016 detailing budget reduction and income generation proposals that will be subject to formal budget consultation and scrutiny during October 2016 - January 2017. Further to this, an update on all budget assumptions and the Provisional Local Government Settlement will be presented to Cabinet by January 2017, with the final budget report due to be approved by Full Council in March 2017.

## **1.0 Purpose**

- 1.1 The purpose of this report is to provide Councillors with an update on progress towards identifying additional budget reduction and income generation targets in order to address the projected £22.2 million budget deficit for 2017/18.
- 1.2 This report is the first of the financial year on the budget and Medium Term Financial Strategy (MTFS) and provides an update on some key factors, the timetable for the budget process and the risks in relation to them.

## **2.0 Background and Summary**

- 2.1 The 2016/17 Budget and Medium Term Financial Strategy (MTFS) 2016/17 - 2019/20 was presented to Full Council for approval on 2 March 2016. After updating the MTFS for changes in assumptions and the outcome of the Local Government Finance Settlement, the Council was able to set a balanced budget for 2016/17 without the use of general fund reserves; however the Council is now faced with finding further estimated budget reductions totalling £54.6 million by 2019/20.
- 2.2 It is important to note that the updated projected deficit assumes the achievement of budget reduction proposals amounting to £37.4 million over the four year period to 2019/20. Having identified budget reductions in excess of £175.0 million over the last six financial years, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.
- 2.3 In March 2016, Full Council approved that work started immediately to identify £22.2 million of budget reduction and income generation targets to address the projected deficit in 2017/18, with an update on progress to be reported to Cabinet in July 2016.
- 2.4 A further £32.4 million of budget reduction and income generation targets need to be identified, over and above the target for 2017/18, in order to address the projected budget deficit over the medium term to 2019/20. The 2016/17 Budget and Medium Term Financial Strategy 2016/17 – 2019/20 presented to Cabinet in February 2016, assured Councillors that a high level strategy for tackling the budget deficit over the medium term would be included in the July update report.
- 2.5 It should be noted that due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
- 2.6 Since the 2016/17 budget was set, detailed work has progressed across all areas of the Council to identify £22.2 million of budget reduction and income generation targets for 2017/18.
- 2.7 This report provides an update on the identification of budget reduction and income generation targets for 2017/18, proposes a high level strategy for budget reduction and

income generation targets over the medium term to 2019/20 and details the uncertainty faced by the Council with regards to the financial challenge.

### 3.0 Budget Reduction and Income Generation Targets

3.1 The 2017/18 budget reduction and income generation targets that have been identified at this stage are summarised in the table below:

**Table 1 – Budget Reduction and Income Generation Targets for 2017/18 by Cabinet Portfolio**

<b>Cabinet Portfolio</b>	<b>No.</b>	<b>2017/18 £000</b>
Adult Services	2	(5,000)
Children and Young People	1	(3,000)
Public Health and Wellbeing	1	(1,000)
Housing and City Assets	5	(1,350)
City Economy	1	(200)
City Environment	8	(3,600)
Resources	11	(6,840)
Governance	6	(890)
Education	-	-
<b>Total</b>	<b>35</b>	<b>(21,880)</b>

- 3.2 Further details regarding the budget reduction and income generation targets can be found in Appendix A. As can be seen in table 1 above, the Council has currently identified £21.9 million budget reduction and income generation targets towards the strategy of identifying £22.2 million of budget reduction and income generation targets for 2017/18.
- 3.3 It is proposed that Cabinet approve, the commencement of initial consultation and/or stakeholder engagement relating to individual budget reduction and income generation targets where this is necessary, in order that they can be fully developed ahead of the Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20 being reported to Cabinet in October 2016.
- 3.4 Whilst this represents significant progress towards identifying the projected budget deficit for 2017/18, work is continuing to identify possibilities to deliver the remaining estimated £0.3 million of budget reduction and income generation targets for 2017/18.
- 3.5 Over the forthcoming months, Service Directors, Heads of Service and relevant Budget Managers will be participating in 'Review, Challenge and Progress' meetings. The aims of the meetings are to review and challenge the current budget provision for each

service, to consider commercialisation opportunities and to consider how the service can achieve even better value for money and efficiencies. As a result of conducting the 'Review, Challenge and Progress' meetings, it is anticipated that ideas for generating budget reduction and income generation targets in the short and medium term will be discussed and further developed with support from Strategic Finance. In addition to this, the Council seeks to maximise benefits available from income generation, digital transformation, demand management and outcome based service planning workstreams that are currently on-going, however it is important to note that it is likely that there will still have to be further cuts to services. An update on progress will be presented to Cabinet in October 2016.

- 3.6 Given the challenging financial environment which the Council finds itself in, a focus on medium term financial planning is vital. It is therefore proposed that Cabinet approve a high level strategy to address the projected budget deficit over the medium term; namely identifying £32.4 million of budget reduction and income generation proposals in 2018/19 and 2019/20. Cabinet are asked to approve the high level strategy of allocating the People Directorate with a target of identifying a further £18.0 million of budget reduction and income generation proposals by 2019/20, with the remaining £14.4 million to be identified by the rest of the Council. The outcome being that the People Directorate and the rest of the Council share the £54.6 million projected deficit in equal proportions overall.
- 3.7 It is proposed that Cabinet approve that work starts immediately to identify additional budget reduction and income generation targets to address the projected budget deficit in 2018/19, in order to ensure that a balanced budget can be set.
- 3.8 As stated in paragraph 2.2 above, the projected budget deficit assumes the successful delivery of budget reduction and income generation proposals that have already been approved by Cabinet. In order to be prudent, it is proposed that Cabinet approve the postponement of the previously approved 'Reduce the Number of Councillors' budget reduction totalling £90,000 in 2018/19, until the outcome of the Boundary Commission work is known. Current indications are that this work will not be complete by 2018/19.

#### **4.0 General Fund Outturn and General Balances**

- 4.1 The General Fund revenue outturn position for 2015/16 was a net underspend of £9.4 million (-4.20%) against the net budget requirement of £224.9 million, as reported to Cabinet at this meeting in the Revenue Budget Outturn 2015/16 report.
- 4.2 The positive General Fund outturn position for 2015/16 has arisen largely as a result of:
1. The receipt of a £3.6 million special dividend from Birmingham Airport in March 2016;
  2. A £3.4 million underspend within the Children & Young People service arising as a result of the success of the early intervention programme which has delivered a reduction in costs due to investment in additional social workers at the at the top end of expectations, in addition to,

3. The prudent approach to spending adopted by all budget managers to generate budget reductions during 2015/16, which reflects our ethos whereby every budget manager ensures that they spend money wisely - making every pound go further.
- 4.3 The positive General Fund outturn position for 2015/16 will help to support the Council's short term financial position, enabling one-off investment to support transformation of the Council, however it is important to note that it does not address the challenging financial position that the Council finds itself in over the medium term; as detailed in this report.
- 4.4 An element of the underspend arising within the 2015/16 General Fund outturn is already factored into the Council's Medium Term Financial Strategy (MTFS), including the early achievement of approved budget reductions. Nevertheless, a comprehensive review of all service areas will take place during the 'Review, Challenge and Progress' meetings, as detailed in paragraph 3.5, including challenging areas of underspend in 2015/16. An update on progress will be presented to Cabinet in October 2016.
- 4.5 Due to the positive General Fund outturn position for 2015/16, it is proposed in the Reserves, Provisions and Balances 2015/16 report, to be presented to Cabinet at this meeting, that the £9.4 million underspend be transferred into specific reserves to fund future transformational projects, costs anticipated to arise as a result of business rate appeals and redundancy costs. It is also important to note that, the General Fund Balance remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis continues to be placed on identifying budget reductions and income generation proposals to meet the projected budget deficit over the medium term.

## **5.0 Update on Key Factors**

- 5.1 The assumptions used in the preparation of the budget and Medium Term Financial Strategy (MTFS) remain under constant review and update.
- 5.2 On 8 February 2016, the Secretary of State announced the final local government finance settlement for 2016/17 and provided each authority with indicative core government grant allocations for 2017/18 to 2019/20, to cover the Parliamentary period. In order to secure the four year settlement it is necessary to publish an efficiency strategy, which must be approved by Full Council, and provide acceptance of the offer to the Department for Communities and Local Government by 14 October 2016. It is proposed that the Council's Financial Plan is presented to Councillors for approval in early October. The provision of four year settlement information is welcome and to some extent it is hoped it will enable greater certainty in medium term financial planning. At the time of writing, it is assumed that the outcome of the European Union (EU) Referendum will not impact upon this offer; however there is an element of uncertainty surrounding the potential impact that the referendum result will have on Local Government. In the event that the challenge increases in 2017/18, it will be necessary to identify more budget reduction and income generation proposals to ensure that the minimum of £10.0 million in the General Fund Balance is maintained for 2017/18.

- 5.3 It is important to note however that the Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, including the risk register, will be updated during the 2017/18 budget setting process to incorporate an update to assumptions and projections arising as a result of emerging information. At the time of writing, there continues to be an element of uncertainty regarding Public Health and Better Care Funding information for future years and the potential transfer of responsibilities that the Government have alluded to. Updates will be reported to Cabinet in the forthcoming months.
- 5.4 The Local Government Association recently conducted a Finance Peer Review at the Council. The initial feedback that was received from the team was very positive, and recognised that there has been significant progress, developments and improvements at the Council, which has resulted in a good grasp of the current budgetary position and future financial challenge. They recommended that it may be timely to revisit and review some of the assumptions built into the Medium Term Financial Strategy, and to also review the assessment of budget risks. An action plan is currently being developed, and will be reported to Cabinet and Confident Capable Council Scrutiny Panel over the forthcoming months.

## 6.0 Budget Risk Management and Timetable

- 6.1 A summary of the 2017/18 budget setting process timetable is detailed in the table below:

**Table 2 – Budget Timetable**

<b>Milestone</b>	<b>Deadline</b>
Report to Cabinet	20 July 2016
Intensive work to develop proposals	July – October 2016
Updated Financial Plan and Four-year Financial Settlement report to Cabinet	5 October 2016
Draft Budget and Medium Term Financial Strategy (MTFS) 2017/18 – 2019/20 report to Cabinet	19 October 2016
Formal Budget Consultation and Scrutiny	October 2016 – January 2017
Report to Cabinet following the Local Government Financial Settlement	January 2017
Final Budget Report 2017/18 to Cabinet	February 2017
Full Council Approval of Final Budget 2017/18	March 2017

- 6.2 The overall level of risk associated with the Draft Budget and Medium Term Financial Strategy (MTFS) 2017/18 - 2019/20 is assessed as Amber. The following table provides a summary of the risks associated with the MTFS, using the corporate risk management methodology.

**Table 3 - General Fund Budget Risks 2017/18 – 2019/20**

<b>Risk</b>	<b>Description</b>	<b>Level of Risk</b>
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, Equal Pay.	Amber
Budget Management	Risks that might materialise as a result of loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not identifying budget reductions, not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
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.  The risk of successful appeals against business rates.	Amber
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

## 7.0 Financial Implications

- 7.1 The financial implications are discussed in the body of the report.  
[MH/07072016/B]

## 8.0 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 2015/16.  
[TS/07072016/Z]

## **9.0 Equalities implications**

- 9.1 The further development of the various budget reduction and income generation targets for Cabinet's consideration in October will include an initial equalities screening for each proposal and, where necessary, a full equalities analysis. This will enable Councillors to pay due regard to the equalities impact of their budget decisions. The Council will publish the equalities analyses as part of its public consultation around the 2017/18 budget.

## **10.0 Human resources implications**

- 10.1 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 31 March 2016 through both voluntary redundancy and budget reduction targets which will result in compulsory redundancies. Further redundancies will be required in order to achieve the proposed budget reductions. A further HR1 will be issued, identifying the intention to reduce the workforce by up to a further 1,000 jobs in the period up to 31 March 2017.
- 10.2 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 budget reductions 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 budget reductions 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.
- 10.3 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. Budget reduction targets to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations.
- 10.4 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it.

## **11.0 Schedule of Background Papers**

Revenue Budget Outturn 2015/16, report to Cabinet, 20 July 2016.

Reserves, Provisions and Balances 2015/16, report to Cabinet, 20 July 2016.

2016/17 Budget and Medium Term Financial Strategy 2016/17 – 2019/20, report to Full Council, 2 March 2016.

**Quantified Budget Reduction and Income Generation Targets by Cabinet Portfolio**

**Adults**

<b>Description of Proposal</b>	<b>Cabinet Portfolio</b>	<b>Directorate</b>	<b>2017/18 £000</b>
Older People Service Transformation	Adults	People	(1,500)
Disabilities and Mental Health Service Transformation	Adults	People	(3,500)

**Children and Young People**

<b>Description of Proposal</b>	<b>Cabinet Portfolio</b>	<b>Directorate</b>	<b>2017/18 £000</b>
Children's Transformation	Children and Young People	People	(3,000)

**Quantified Budget Reduction and Income Generation Targets by Cabinet Portfolio**

**Public Health and Wellbeing**

<b>Description of Proposal</b>	<b>Cabinet Portfolio</b>	<b>Directorate</b>	<b>2017/18 £000</b>
Innovative approaches to Public Health in order to maximise the impact of Public Health funding on Public Health outcomes	Public Health and Wellbeing	People	(1,000)

**Quantified Budget Reduction and Income Generation Targets by Cabinet Portfolio**

**Housing and City Assets**

<b>Description of Proposal</b>	<b>Cabinet Portfolio</b>	<b>Directorate</b>	<b>2017/18 £000</b>
Facilities Management	Housing and City Assets	Place	(500)
Utilities and Rates from surplus/disposed buildings	Housing and City Assets	Place	(400)
Commercial Estate Income	Housing and City Assets	Place	(250)
Review of Corporate Landlord – Phase 2	Housing and City Assets	Place	(100)
Review of Homelessness & Tenancy Sustainment Services	Housing and City Assets	Place	(100)

**City Economy**

<b>Description of Proposal</b>	<b>Cabinet Portfolio</b>	<b>Directorate</b>	<b>2017/18 £000</b>
Increased commerciality in Cultural Services	City Economy	Place	(200)

**Quantified Budget Reduction and Income Generation Targets by Cabinet Portfolio**

**City Environment**

<b>Description of Proposal</b>	<b>Cabinet Portfolio</b>	<b>Directorate</b>	<b>2017/18 £000</b>
Reduce Leisure subsidy	City Environment	Corporate	(500)
Review of Waste & Recycling	City Environment	Place	(1,200)
Environmental Services Efficiencies	City Environment	Place	(500)
Review of Transport/Fleet	City Environment	Place	(500)
Bus Lane Enforcement – use of additional 2015/16 surplus	City Environment	Place	(500)
Review of District Parking	City Environment	Place	(200)
Savings in Regulatory Services through Agile Working	City Environment	Place	(100)
Develop Commercial Facilities at Northcote Farm	City Environment	Place	(100)

Quantified Budget Reduction and Income Generation Targets by Cabinet Portfolio

Resources

Description of Proposal	Cabinet Portfolio	Directorate	2017/18 £000
Revenues & Benefits – grant income	Resources	Corporate	(100)
Special Dividend – Birmingham Airport	Resources	Corporate	(3,500)
Revised assumptions regarding Pension Auto-enrolment – re-phasing to 2018/19	Resources	Corporate	(1,000)
Revision to Pension Cost assumptions	Resources	Corporate	(1,000)
Adjustment to assumptions around PFI savings	Resources	Corporate	(220)
ICTS Contract Efficiencies	Resources	Corporate	(100)
Cease printing residual payslips	Resources	Corporate	(20)
Audit Services, Insurance and Health & Safety Restructure	Resources	Corporate	(50)
Procurement Restructure	Resources	Corporate	(50)
Senior Management Restructure	Resources	Corporate	(200)

Quantified Budget Reduction and Income Generation Targets by Cabinet Portfolio

Resources

Description of Proposal	Cabinet Portfolio	Directorate	2017/18 £000
Revisions to Increment assumptions	Resources	Corporate	(600)

Governance

Description of Proposal	Cabinet Portfolio	Directorate	2017/18 £000
Organisational Development	Governance	Corporate	(500)
Further Development of YOO Recruit	Governance	Corporate	(200)
Reprovision of Staff Counselling Service	Governance	Corporate	(20)
Governance Restructure	Governance	Corporate	(80)
Review External Legal Fees	Governance	Corporate	(70)
Review School Appeals Fees	Governance	Corporate	(20)