

Medium Term Budget Requirement

	Year 1 2014/15 £'000	Year 2 2015/16 £'000	Year 3 2016/17 £'000
2013/14 Net General Fund Base Budget	189,640	189,640	189,640
Non-domestic rates tariff payment to Government	2,913	2,986	3,046
One off budget adjustments	(2,655)	(1,903)	(1,903)
2014/15 Net General Fund Base Budget	189,899	190,724	190,783
Contract and Income Inflation	2,800	5,600	8,400
Growth	4,696	6,455	6,855
Efficiency Savings ¹	(17,905)	(42,458)	(52,622)
General Contingency (pay)	900	1,800	4,050
Gross Budget Requirements	180,389	162,121	157,466
Less			
New Homes Bonus Grant	(4,638)	(3,665)	(4,272)
Other unringfenced specific grants	(4,551)	(3,606)	(3,606)
Council Tax Freeze Grant	(609)	(1,219)	(1,219)
Contribution to General Balances	1,442	0	0
Revenue Grants	(8,356)	(8,490)	(9,097)
Net Budget Requirement	172,033	153,631	148,369
Funded By			
Revenue Support Grant	66,038	46,591	39,893
Localised Element of Non Domestic Rates	53,839	55,321	56,407
Council Tax (3% Reduction in Year 1 then a freeze for planning purposes)	51,369	51,369	51,369
Increase in Council Tax Base	0	350	700
One off collection fund surplus	787	0	0
Gross Resources	172,033	153,631	148,369
Adjusted Net Budget Gap	0	(0)	0

Notes

1) In addition, an efficiency of £150k has been built in to the Council Tax Base, relating to Single Person Discount savings. These savings are planned to be achieved through the Business Intelligence programme.

Adult Social Care Budget Proposals

Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Tri Borough	Commissioning, Finance and In-house Services	(48)	(480)	(480)
Tri Borough	Overheads (Training, Project Management)	(65)	(252)	(252)
Tri Borough	Tri-borough initiative to manage prices in residential & nursing placements.	(135)	(135)	(135)
Tri Borough	Reduced admissions into residential and nursing homes through better support in the community	(475)	(475)	(475)
Operations	Customer Journey for Operational Services	(185)	(335)	(535)
Procurement and Business Intelligence	Extension of Framework I contract inline with Tri Borough Partners	(127)	(127)	(127)
Joint Commissioning with Health	Whole Systems Integration with Health (Community Budgets)	0	0	(200)
Operations & Provided Services	Review of high cost placements, supported at home packages & Direct Payments.	(910)	(910)	(910)
Operations & Provided Services	Efficiencies to be achieved from the home care procurement exercise and new operating model.	(118)	(235)	(235)
Operations & Provided Services	Personalisation - Changing the approach to an outcome based on the new operating model for Direct Payment Clients.	(115)	(230)	(230)
Provided Services & Mental Health	Review Intensive support contract	(50)	(50)	(50)
Tri Borough	Increase capacity in extra care and sheltered accommodation by 50 units (including LD accommodation strategy)	0	(400)	(400)
Provided Services & Mental Health	Review of Older People Day-Care Services	(35)	(35)	(35)

Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Operations	Decommissioning of Learning Disabilities Day Services and closure of in-house day provision, allowing people to use direct payments in order to meet their needs.	0	(253)	(253)
Provided Services & Mental Health	Review of Community Access Team	(22)	(22)	(22)
Commissioning	Review of third sector payments within the Older People Commissioning sector.	(38)	(38)	(38)
Commissioning	Review of the arrangements for both the service model and charging for the delivered meals service	0	(108)	(108)
Provided Services & Mental Health	Review of Learning Disability: Residential supported living	(108)	(145)	(145)
Provided Services & Mental Health	Learning Disabilities supported living review (Community Support Service).	(43)	(43)	(43)
Commissioning	Procurement of Learning Disabilities supported living contract (Yarrow).	(324)	(324)	(324)
Operations	Protect community transport provision by encouraging the use of travel methods such as taxi cards, blue badges and freedom passes through the Travel Support Strategy plan.	(45)	(45)	(45)
Commissioning	Provide statutory advocacy services and withdraw non-statutory advocacy support and funding.	(165)	(165)	(165)
Commissioning	Reprovide all funding for employment and training services and review of Learning Disabilities Development fund	(111)	(111)	(111)
Commissioning	Review of Mental Health commissioned services.	(22)	(22)	(22)
Commissioning	Supporting People - Reprocurring of contracts by negotiating with providers and decommissioning of services.	(875)	(875)	(875)
Provided Services & Mental Health	Mental Health social work costs	(183)	(183)	(183)

Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Commissioning	Integrated commissioning with health.	(200)	(460)	(460)
Commissioning	Review of Elgin Resource centre contract	(25)	(25)	(25)
Finance	Recruitment Budget	(40)	(40)	(40)
Finance	Improve outcomes and reduce dependency amongst residents through better joint services with the NHS.	(103)	(103)	(103)
Commissioning	Procurement savings from Olive House contract.	(28)	(28)	(28)
Commissioning	Procurement savings from Elm Grove & Elgin Close contract.	(70)	(70)	(70)
	Total Efficiencies	(4,664)	(6,724)	(7,124)
Growth	Increase in demand for learning disabled people placements and care packages.	205	410	410
	Growth totalled	205	410	410

Children's Services Budget Proposals

Service	Description	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Tri Borough	Sharing of education services with WCC / RBKC with a potential to review and revise the statutory delivery component to more efficient ways, and better use of joint commissioning and sharing of overhead, management and support costs	(370)	(370)	(370)
Tri Borough	Finance Staff. Integrated finance team to support 1 integrated Children's Service executive team and services.	0	(250)	(250)
Children With Disabilities	Review of Children with Disabilities Service: Rationalising service structures across the three boroughs, Improved commissioning and procurement	(204)	(357)	(357)
Looked After Children	Looked After Children (LAC) Rationalising service structures across the three boroughs and combined LAC and leaving care model	(752)	(1,131)	(1,505)
Family Services	Reduction in cost from care proceedings pilot	(120)	(228)	(325)
Family Services	Reduced use of secure welfare & residential placements	(70)	(136)	(198)
Family Services	Restructure and service reviews	(610)	(810)	(1,010)
Family Services	Leaving Care - Improvements in timescales in moving to independent accommodation	(215)	(215)	(215)
Family Services	Rationalisation of service delivery and location costs	(55)	(55)	(55)
Family Services	Disabled children support package review	(50)	(50)	(50)
Family Services	Early help and intensive intervention with parents to reduce YP entering care by 5 per year	(160)	(320)	(480)
Commissioning	Passenger Transport	(125)	(273)	(273)
Commissioning	Savings delivered through the renegotiation of current contracts on a tri borough or single borough basis	(49)	(49)	(49)
Total Efficiencies		(2,780)	(4,244)	(5,137)

Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Looked After Children	Budget pressures relating to Section 20 Assessments (Southwark Judgement)	225	225	225
Children With Disabilities	Increased demand for services	245	245	245
	Growth totalled	470	470	470

Environment, Leisure & Residents' Services Budget Proposals

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
ELRS Cross Cutting	Implement joint ELRS Finance Team across LBHF and RBKC	(38)	(76)	(76)
Cleaner, Greener & Cultural Services	Rationalise Recycling Bring Bank Sites	(25)	(25)	(25)
Cleaner, Greener & Cultural Services	Street Scene Enforcement / Graffiti Service Review	(25)	(25)	(25)
Cleaner, Greener & Cultural Services	Increased hall hire income at Hammersmith Town Hall (HTH) - dependent on Wi-Fi installation as part of HTH refurbishment	(15)	(15)	(15)
Cleaner, Greener & Cultural Services	Review major events with a focus on increased income generation (Boat Race)	(22)	(22)	(22)
Cleaner, Greener & Cultural Services	Review commercial hires to focus on increased income	(20)	(20)	(20)
Cleaner, Greener & Cultural Services	Filming Service Review - Phase 3	(5)	(5)	(5)
Safer Neighbourhoods	Review Grounds Maintenance Contract (depends on outcome of service review and potential Bi-Borough contract alignment, in terms of specification)	(200)	(200)	(200)
Safer Neighbourhoods	Alternative Funding for Enhanced Policing Contract	(440)	(440)	(440)
Safer Neighbourhoods	Fleet Transport Service Review	(35)	(35)	(35)
Customer & Business Development	Commercial Waste Income Generation	(50)	(50)	(50)
Customer & Business Development	Review of Business Improvement Team	(40)	(40)	(40)
Customer & Business Development	Review of Registrars Deficit	(50)	(50)	(50)

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Customer & Business Development	Cross Cutting ELRS Income Growth	(140)	(140)	(140)
	Total Efficiencies	(1,105)	(1,143)	(1,143)
Growth	Western Riverside Waste Authority Growth	0	374	374
Growth	Retender of the Waste & Street Cleansing Service	0	650	650
	Growth totalled	0	1,024	1,024

Libraries Budget Proposals

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Triborough Libraries	Libraries Efficiencies and Contract savings	(100)	(100)	(100)
	Total Efficiencies	(100)	(100)	(100)
	Growth totalled	0	0	0

Finance & Corporate Services Budget Proposals

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Tri Borough	Finance & Corporate Services Tri Borough Savings	(190)	(1,279)	(1,279)
H&F Direct	Deletion of Housing Benefits Appeals officer post	(20)	(20)	(20)
H&F Direct	Re-tender debit / credit card transaction contract	(15)	(15)	(15)
Finance	Reduction in contribution to Insurance fund	(200)	(200)	(200)
Finance	Reduction in Internal Audit supplies & services budget	(10)	(10)	(10)
Finance	Additional savings from the Managed Services programme	(25)	(50)	(50)
Finance	Potential savings from another borough joining Managed Services	0	(150)	(150)
Finance	Investment Income - stretch target, increase of 0.2%	(250)	(250)	(250)
Communications, Policy & Performance	Hammerprint Xerox contract	(50)	(50)	(50)
IT & Procurement	E-sourcing via new system	(15)	(15)	(15)
IT & Procurement	Reduction in Electronic Data Management System (EDMS) consultancy budget	(48)	(48)	(48)
IT & Procurement	Reduction in subscription budget	(25)	(25)	(25)
HR	Workforce reduction – proportionate saving in maternity budgets	(25)	(50)	(75)
HR	Movement to a Bi-Borough structure	(200)	(200)	(200)

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Innovation & Change	Review of divisional structure	(110)	(110)	(110)
Innovation & Change	Income from Westminster	(100)	(100)	(100)
Communications, Policy & Performance	Reduction in Voluntary Sector Grants expenditure	(2)	(142)	(142)
Communications, Policy & Performance	Alternative funding for the 3rd Sector	0	(50)	(50)
H&F Direct	Bi-borough Council Tax Management Structure - 6 senior management post into 3	(75)	(120)	(120)
Executive Services	Reduction of two posts	0	(70)	(70)
Legal & Democratic Services	Review of Democratic and Electoral Services - look at structure and expenditure	0	(50)	(50)
Executive Services	Reduction in Chief Executive's salary	(25)	(25)	(25)
Finance	Reduction in Pension Fund contributions following actuarial reviews	(357)	(357)	(357)
Transforming Business	Business Intelligence (Freedom Passes) ¹	(450)	(450)	(450)
Finance	Additional New Homes Bonus Grant from reduction in reported empty properties	0	(539)	(539)
	Total Efficiencies	(2,192)	(4,375)	(4,400)
H&F Direct	Concessionary Fares Settlement	540	940	1,340
	Growth totalled	540	940	1,340

Notes

1) In addition, an efficiency of £150k has been built in to the Council Tax Base relating to Single Person Discount savings. These savings are planned to be achieved through the Business Intelligence programme.

Housing and Regeneration Department Budget Proposals

Service		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Finance & Resources	Additional Pension Fund Service Deficit absorbed by the Housing Revenue Account (HRA), based on actuarial calculations	(209)	(209)	(209)
Finance & Resources	Reduction in amenity recharge from the HRA	(50)	(50)	(50)
Housing Options, Skills & Economic Development	Reduction in costs and risks associated with Hamlet Gardens	(150)	(150)	(150)
Housing Options, Skills & Economic Development	Reduction in Housing Benefit Subsidy Loss on Housing Association Leasing Direct (HALD) portfolio	(20)	(20)	(20)
Housing Options, Skills & Economic Development	Cessation of subscription to Locata choice-based letting system	(70)	(70)	(70)
Housing Options, Skills & Economic Development	Minor reorganisation of roles and responsibilities within Housing Options	(40)	(40)	(40)
Housing Options, Skills & Economic Development	Review of income generation opportunities and cost reductions in Adult Learning & Skills Service	(211)	(350)	(490)
	Total Efficiencies	(750)	(889)	(1,029)
Growth	Potential Homelessness Impact of Welfare Reforms	1,545	1,675	1,675
	Growth totalled	1,545	1,675	1,675

Transport & Technical Services Budget Proposals

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Building & Property Management	Total Facilities Management (TFM) savings	(334)	(650)	(650)
Building & Property Management	Increased cost recovery from discretionary planning charges	(149)	0	0
Building & Property Management	TTS One off use of reserves	(167)	0	0
Building & Property Management	Accommodation Savings	(460)	(1,549)	(1,549)
Tri Borough	Bi Borough review of Transport & Technical Services (TTS)	(341)	(416)	(416)
Building and Property Management	Advertising hoardings in streets	(50)	(50)	(50)
Transport and Highways	Street lighting contract savings	(50)	(50)	(50)
Parking	Parking office savings, above the £100k in each borough already assumed for 13/14	(172)	(215)	(416)
Transport and Highways	Advertising on pavements	(250)	(250)	(250)
Transport and Highways	Sponsorship of Christmas lights	(12)	(12)	(12)
Parking	Parking initiatives	(74)	(74)	(74)
Various	Put Uniform system into Managed Services	(21)	(21)	(21)
Various	Use of S106 Monies	(360)	(360)	(360)
Environmental Health	Statutory Licensing fee increase	(30)	(30)	(30)
Building and Property Management	Technical Support service reviews	(79)	(79)	(79)

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Building and Property Management	Carbon Reduction Commitment (CRC) allowances	(64)	(64)	(64)
Building and Property Management	Systems saving as a result of Total Facilities Management	(62)	(62)	(62)
Planning	Pre Application Fee	(50)	(50)	(50)
	Total Efficiency Savings	(2,725)	(3,932)	(4,133)
Growth	Internal TTS Issues to address - Departmental overheads no longer rechargeable on BTS	249	249	249
Growth	Building Control gap in income target post reorganisation	287	287	287
	Growth totalled	536	536	536

Centrally Managed Budgets Budget Proposals

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Capital Debt Reduction	Debt Reduction Strategy (assumes 25% slippage in forecast receipts)	(1,336)	(1,636)	(1,936)
Centrally Managed Budgets	Redundancy Efficiency	(1,000)	(1,000)	(1,000)
Centrally Managed Budgets	Land Charges Income	(350)	(350)	(350)
Centrally Managed Budgets	Further productivity and other efficiencies from outsourcing and new ways of working	0	(16,722)	(24,927)
	Total Efficiency Savings	(2,686)	(19,708)	(28,213)
Growth	Re-alignment of overheads re the HRA and other transformation programmes.	700	700	700
Growth	Impact of 2014.15 Budget Pressures	700	700	700
	Growth Total	1,400	1,400	1,400

New Transformational Savings

Portfolio	Service	Description of Budget Change	Budget Change		
			2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
People Portfolio	Council Wide	Changing working patterns	(66)	(171)	(171)
People Portfolio	Council Wide	Internships	(294)	(529)	(529)
People Portfolio	Council Wide	Pay Strategy	(100)	(200)	(200)
People Portfolio	Council Wide	Salary Sacrifice	(10)	(10)	(10)
Transforming Business	I.T.	Reduced IT spend through transforming contract management and IT management within departments.	(100)	(100)	(100)
Transforming Business	Council Wide	Enhanced Revenue Collection	(333)	(333)	(333)
		Total Efficiency Savings	(903)	(1,343)	(1,343)

Departmental Risk/Challenges

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
Environment, Leisure and Residents Services					
Safer Neighbourhoods	Reduction in fleet numbers impacting on financial viability of transport function	180	180	180	
Customer & Business Development	Income risks - cross cutting initiatives	140	140	140	
Safer Neighbourhoods	All weather pitch income at risk from delays	70	70	70	
Cleaner Greener & Cultural Services	Waste Disposal - risk of rolling 12 month agreement with Cory for reduced recycling charges being terminated	-	730	730	
Environment, Leisure and Residents Services Total		390	1,120	1,120	
Transport and Technical Services					
Parking	CCTV Parking Penalty Charge Notices	616	616	616	The government has released a statement suggesting CCTV will not be allowed to be used for Parking Enforcement
Parking	Moving Traffic Offences	5,814	5,814	5,814	Value is indicative and based on the current level of enforcement and current driver behaviours
Building & Property Management	Total Facilities Management	334	334	334	Risk should reduce as benefits are recognised in the budgeting process.
Planning	Increasing incidence of exceptional costs of dealing with legal challenges, public inquiries etc	500	500	500	
Planning	Localism Act - supporting neighbourhood planning	500	500	500	
Building & Property Management	Advertising on street panels and pavements	250	250	250	
Transport and Technical Services Total		8,014	8,014	8,014	
Housing & Regeneration					

Departmental Risk/Challenges

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
Temporary Accommodation	Impact of the benefit cap on bad debt charges	0	740	130	
Temporary Accommodation	Welfare reform - potential impact on B&B costs	2,000	2,150	2,300	
Temporary Accommodation	Welfare reform: potential impact of changes to Local Housing Allowances on bad debt charges	600	700	800	
Temporary Accommodation	Increased inflationary pressure on B&B costs based on experience of recent placements	1,100	1,100	1,100	
Housing & Regeneration Total		3,700	4,690	4,330	
Children's Services					
Social Care	Troubled Families	120	240	240	
Schools	Academy funding.	TBC	TBC	TBC	
Schools	Academies	TBC	TBC	TBC	
Social Care	Youth Offending Service, children on remand becoming looked after. Impact on looked after and leaving care service provision	100	200	200	
Social Care	Southwark Judgement budget pressures	225	225	225	
Children's Services Total		445	440	440	
Adult Social Care					
Operations	There is an aging population, in London Borough of Hammersmith & Fulham growth is expected to be 1% per annum. At some stage the reduction in client numbers that we are currently experiencing will plateau and should actually start to rise.	450	900	1,350	
Operations and Integration and Provided Services and MH Partnerships	Increases due to continuing care transfers into social care and demographic pressures.	750	750	750	

Departmental Risk/Challenges

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
Operations and Integration	Increase in demand for Learning disabled people placements and care packages.	235	470	705	
Operations and Integration	Increased pressure on equipment budgets as a whole as the Health & Social Care community work together to deliver on admission avoidance & delaying the admission to Residential or Nursing Facilities	200	200	200	
Operations and Integration	Maximising revenue from Careline.	400	400	400	The service is being reviewed with Commissioning to look at recommissioning a telephony /Monitoring service on a Bi or Tri borough basis. A local response service will be developed as part of the wider rapid Response Service developments.
Commissioning	NHS Funding for social care ending in 2015/16 and assumed to be on going in the MTFS model.	0	0	3,287	Funding priorities unknown from 2016/17 as part of the Integrated Transformation Fund(ITF).
Operations & Provided Services	Funding of care and support (Care Bill)	0	0	400	The changes that set out in the Care Bill will bring increased costs and reduced income. Based on early financial modelling, these are currently estimated at £400k in Year 1 (2016/17), rising to £830k-£1,480k in Year 4 (2019/2020). We await confirmation from government about how this will be resourced.
Adult Social Care Total		2,035	2,720	7,092	
Centrally Managed Budgets					
Corporate	Localised Council Tax Support Scheme Caseload	500	500	500	Risk of potential increase (5%) in the caseload , due to demographic and other changes.
Corporate	Asset Disposal Programme - delay	270	330	390	

Departmental Risk/Challenges

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
Corporate	Contract Inflation -Above expectation	900	1,800	2,700	Risk that contract inflation is more (1%) than allowed for.
Corporate	Pay inflation - Above expectation	900	1,800	4,050	1% pay award currently assumed in 14/15 and 15/16. 2.5% assumed in 16/17.
		2,570	4,430	7,640	
	Total	17,154	21,414	28,636	