

Medium Term Budget Requirement

	Year 1 2011/12 £'000	Year 2 2012/13 £'000	Year 3 2013/14 £'000
2010/11 Council Budget	184,345		
Less: Adjustment for Economic Slowdown	(850)		
Add: Rolling-in of previously grant funded expenditure	39,059		
2011/12 Net General Fund Base Budget	222,554	222,554	222,554
Contract and Income Inflation	2,721	6,338	9,080
Growth	11,797	13,568	16,762
Departmental Efficiencies	(26,709)	(50,073)	(64,180)
Additional General Contingency	0	5,104	10,208
Provisional Local Government Finance Settlement (Unallocated Grant Funding)	2,409	2,409	2,409
Total Expenditure	212,772	199,900	196,833
Reduction in Drawdown from Earmarked Reserves (Economic Slowdown)	850	850	850
Draw Down from Earmarked Reserve (Community Services)	(1,975)	0	0
Drawdown from Earmarked Reserves (ABG transition)	(2,217)	0	0
Gross Budget Requirement	209,430	200,750	197,683
Less:			
Council Tax Freeze/New Homes Bonus Grant	2,528	3,437	4,346
Core Revenue Grants	17,613	17,613	17,085
Revenue Grants	20,141	21,050	21,431
Net Budget Requirement	189,289	179,700	176,252
Funded by:			
Formula Grant	124,510	114,921	111,473
Council Tax	64,779	64,779	64,779
	189,289	179,700	176,252
<i>Risks</i>	<i>10,848</i>	<i>18,159</i>	<i>27,032</i>

Growth

Appendix C

Children's Services				
Growth		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Schools	Secondary Schools Capital Investment (Prudential Borrowing)	150	300	450
Total Growth		150	300	450

Community Services				
Existing Growth		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Adult Social Care	Increase in demand for disabled people placements and care packages	0	205	410
Adult Social Care	Placement packages and direct payments	840	840	840
Adult Social Care	Mental Health - New Continuing Care Placements as a result of a change in funding from NHS to the Council	703	703	703
Learning Disabilities	Increase in demand for learning disability placements and care packages	0	335	335
Total Existing Growth		1,543	2,083	2,288

New Growth				
Title	Description	£'000	£'000	£'000
Adult Social Care	Increase in demand for all aged people with care placements and care packages	0	300	1,200
Adult Social Care	Loss of ILF Funding for New Clients (Funded from earmarked reserve in 2011/12)	366	366	366
Adult Social Care	Home Care Charging Income Budget- the department has an ongoing shortfall of £400k and has decided in consultation with the head of legal services and lead cabinet member not to consult on a review of the HCC Scheme. (Funded from earmarked reserve in 2011/12)	400	400	400
Quality, Commissioning & Procurement	Loss of Supporting people funding- with the ongoing reduction of the grant, the reduced level of funding is now affecting adult social care services. (Funded from earmarked reserve in 2011/12)	363	363	363
Resources	Loss of removal income from storage of council tenants belongings: H&F Homes are reviewing where tenants belongings are stored and returning them to tenants which has resulted in an income loss to the removals service. (Funded from earmarked reserve in 2011/12)	165	164	164
Total New Growth		1,294	1,593	2,493

Growth

Appendix C

Finance & Corporate Services				
Existing Growth		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Councillor Services	Councillor Briefings after May Elections	-15	-15	-15
H&F Direct	Freedom Passes- Introduction of a new apportionment basis which shifts costs from Outer to Inner London and cost increase	586	912	1,251
H&F Direct	Admin Grant Income (tbc)	85	85	85
Local Elections	May 2010 Election and Implementing the new Electoral Administration Bill	-250	-250	-250
Total Growth		406	732	1,071

New Growth		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
H&F Direct	HB Admin Grant Income (5% reduction in grant per annum)	66	274	462
Local Elections	Annual contribution to a provision to provide for the cost of future local elections and councillor briefings	75	75	75
Total Growth		141	349	537

Regeneration & Housing				
New Growth		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Housing	Cap on HB subsidy (LHA) for HALS properties	1,187	1,187	1,985
Housing	Cap on HB subsidy (LHA) for PSL properties	16	16	547
Housing	Cap on HB subsidy (LHA) for HALD properties	760	760	760
Housing	Cap on HB subsidy (LHA) for PRS properties	TBC	TBC	TBC
Regeneration	Expiry of Strategic Regeneration funding arrangements	350	350	350
Total New Growth		2,313	2,313	3,642

Residents Services				
Growth		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Safer Neighbourhoods	Round the Clock Beat Policing - future costs to continue service	1,600	1,600	1,600
Total Growth		1,600	1,600	1,600

Growth

Appendix C

Corporate				
Growth	Description	2011/12	2012/13	2013/14
		£'000	£'000	£'000
NNDR	Net growth arising from revaluation and fall in multiplier	431	431	431
WRWA Levy	Increase in levy payable to Western Riverside Waste Authority (landfill tax)	850	850	850
Office Accommodation	Rental and service charges increases	150	300	300
Pensions	Additional contributions to the London Pensions Fund Authority	211	211	211
Land Charges	Impact of legal review on ability of local authorities to generate land charges income and impact of economic downturn on building control fees	750	750	750
Redundancy Costs	Allowance for downsizing and restructuring	1,500	1,500	1,500
Total Growth		3,892	4,042	4,042

Growth post Spending Review 2010				
Growth	Description	2011/12	2012/13	2013/14
		£'000	£'000	£'000
H&F Direct	HB Admin Grant Income	35	133	216
Building & Property Management	Carbon Trading Scheme	264	264	264
Highways & Engineering	New Flood Responsibilities	159	159	159
		458	556	639

Hammersmith and Fulham - Summary				
		2011/12	2012/13	2013/14
		£'000	£'000	£'000
Existing Growth		6,741	7,907	8,601
New Growth		5,056	5,661	8,161
Grand Total		11,797	13,568	16,762

Efficiencies

Children's Services					
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Children, Youth & Communities	Commissioning of services to reduce costs (including employment costs)	(27)	(27)	(27)	0
Children, Youth & Communities	Reduction of vehicle lease costs	(11)	(11)	(11)	0
Children, Youth & Communities	Extended services - end of match funding time limited grants	(120)	(120)	(120)	0
Children, Youth & Communities	Efficiencies from reprovision of services in schools as part of extended services offer	(200)	(200)	(200)	0
Education Services	School Improvement - Reducing Senior Management overheads and business support Deletion of 2 principal adviser posts and reduction in AD costs of 30% due to shared role in merger. 8 further posts to be deleted by Sept 2011	(50)	(250)	(250)	(10)
Education Services	Sharing of education services with WCC / RBKC	0	(150)	(500)	TBC
School Resources	BSF Core Funding & Schools Resourcing Reorganisation following the ending of the BSF and Primary Capital programmes and a further reorganisation following the completion of the merger work	(175)	(225)	(275)	(4)
School Resources	Transfer of Traded Services relating to schools into a 'Mutual'/Social Enterprise Efficiencies as expected to be achieved through further commercialisation of the services.	(50)	(100)	(200)	0
Education Services	Possible stretch related to merger - Traded Services More work is required to better understand the nature of these mergers and the developing strategies, although a further stretch of £175k on traded services if RBKC is involved seems reasonable.	0	(50)	(150)	0
School Improvement & Standards	End of inequitable discretionary grants	(8)	(8)	(8)	0
School Improvement & Standards	Special Educational Needs (SEN) staffing efficiencies	(40)	(40)	(40)	0
Social Care	H&F Advice Centre - Staffing Efficiencies	(31)	(31)	(31)	0
Social Care	Reduction in Family Support and Child Protection [FSCP], Contact and Assessment [C&A], and Safeguarding staffing following reduction in demand for services	(700)	(1,000)	(1,000)	(12)
Social Care	More efficient procurement of the workers providing support in the home for disabled children and their families, and reorganisation of the social work teams.	(50)	(125)	(200)	0

Efficiencies

Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Social Care	Reorganisation of C&A and FS&CP will result in fewer handovers and yield efficiencies in relation to staffing without impact on the quality of child protection service. This will result in fewer 'handovers' of cases, improving the quality of service for children and their families.	0	(175)	(175)	(3)
Social Care	It is anticipated that following the publication of the Munro Review it will be possible to deliver process efficiencies, reducing staffing requirements.			(250)	(5)
Social Care	Senior management/ senior business support - delayering of management tiers.	(80)	(195)	(400)	(6)
Social Care	Merging the Looked After Children [LAC] and Young Peoples Service [YPS] to create one 0 - 18 service for children in care, reducing handovers of cases, so improving the service quality for children, their families and carers.	0	(125)	(250)	(5)
Social Care	Continuing to reduce the population of children in care with better preventative services [see Locality teams] and more timely permanent placements [Adoption/Special Guardianship/Residence]; thereby reducing placement costs	(320)	(640)	(960)	0
Social Care	Transport costs reduced as a result of there being fewer children in care	(60)	(120)	(180)	0
Social Care	Independent Reviewing Officer costs being reduced as a result of there being fewer children in care			(50)	(1)
Social Care	Reprovision of residential care currently provided at Dalling Road, providing more appropriate placement options.	(400)	(400)	(400)	(17)
Social Care	Savings in foster care costs as a result of there being fewer children in care, and subsequent possible reprovision as part of 3 Borough working	0	(50)	(300)	(6)
Social Care	Reduced expenditure on leaving care services resulting from there being fewer children in care	(40)	(100)	(160)	0
Social Care	More efficient procurement of placements for children in care from Independent Fostering Agencies and Private & Voluntary Residential Care Services delivering better choice and more local placements.	(150)	(375)	(675)	0
Tiers 2 & 3	Refocus of Children's Centre Programme to Sure Start model, targeting support to vulnerable children and their families. With a significant reduction in Central Government funding the programme is to be reshaped to provide support to the children most in need of it. Provision to be commissioned from schools and the third sector and to be run on a 'hub' and 'spoke' model with services being provided on an outreach basis in the 'spokes'. Further discussion to be had with the PCT/CLCH about the delivery of child health services in Sure Start Children's Centres.	(1,321)	(1,321)	(1,321)	(43)
Tiers 2 & 3	Early Years - Reduction in core early years teams to undertake statutory functions for private voluntary and independent providers and childminders	(338)	(338)	(338)	(9)

Efficiencies

Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Tiers 2 & 3	Commissioning youth services from schools and the third sector [based on result of consultation of young people] resulting in efficiencies and reducing commissioning cost thereafter.	(297)	(297)	(297)	(6)
Tiers 2 & 3	Extended schools - ending support for school clusters, following cessation of grant funding	(290)	(290)	(290)	(3)
Tiers 2 & 3	Voluntary sector - Voluntary sector provision recommissioned with efficiencies sought.	(140)	(140)	(140)	0
Tiers 2 & 3	Children's commissioning - Reduction in Commissioning posts	(417)	(417)	(417)	(3)
Tiers 2 & 3	Connexions - recommission universal provision in anticipation of Government policy change and provision of targeted services for vulnerable children in Locality Teams	(175)	(175)	(175)	(8)
Tiers 2 & 3	Reduction in centrally employed literacy support staff - Reduction of 2 currently vacant posts,with cessation of grant.	(116)	(116)	(116)	(2)
Tiers 2 & 3	Rationalisation of business support to DMT [as DMT reduced in size] and efficiency review of Planning & Support Team	(173)	(173)	(173)	(4)
Tiers 2 & 3	Reorganisation of Traveller Support Function - Responsibility for teaching for Travellers absorbed into Locality teams. Traveller Home Liaison role retained.	(58)	(58)	(58)	(1)
Tiers 2 & 3	Playing for Success programme - Cessation of literacy project based at football clubs following the ending of the grant	(75)	(75)	(75)	(4)
Transformation Savings	Slicker Business - Subject to the identification of suitable projects in consultation with the programme manager and in accordance with the initiatives of the transformation programme; including 3 Borough Shared Services	(212)	(476)	(593)	0
Transformation Savings	Procurement - Procurement savings, in addition to those proposed by Social Care.	(139)	(185)	(278)	0
Transformation Savings	Customer Transformation - Income Generation Increased income via Traded Services with Schools (e.g. Governor's Clerking) prior to development of new delivery model for Education Services	(75)	(175)	(175)	0
Transformation Savings	Customer Transformation - Subject to the identification of suitable projects in consultation with the programme manager and in accordance with the initiatives of the transformation programme	(141)	(391)	(617)	0
Transformation Savings	Role of the Organisation - Linked to the potential merger of services with WCC and RBKC	(36)	(700)	(700)	0
Total		(6,515)	(9,844)	(12,575)	(151)

Community Services					
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Community Services Department - Protecting frontline services for vulnerable people by making savings from productivity, efficiency and innovation, so more people will be supported to live longer in their homes through better prevention and rehabilitation.					
Adult Social Care	Applying Private Finance Initiative subsidy from nursing home contracts.	(165)	(165)	(165)	0
Adult Social Care	More efficient equipment procurement	(50)	(100)	(100)	0
Adult Social Care	Transfer of Occupational Therapist costs to the HRA Capital Programme in line with the volume of work and capital guidelines.	(50)	(50)	(50)	0
Adult Social Care	Alternative home support for out of Borough placements for people with learning disabilities	(400)	(700)	(1,000)	0
Adult Social Care	Alternative home support for out of Borough placements for people with mental health conditions	(100)	(200)	(300)	(9)
Adult Social Care	Social Work Productivity through process re-engineering:- Staffing efficiencies to be realised by addressing both the skills mix and productivity of social work and assessment staff to concentrate on professional social work tasks and assessment and care management as a distinct service integrated with health and housing support.	(600)	(600)	(600)	(15)
Adult Social Care	Personal Support Plans. Use creative care plans for people in receipt of adult social care non residential services which will result in lower cost solutions than traditional care packages.	(300)	(300)	(300)	0
Adult Social Care	Improved intensive home support including extra care sheltered housing with nursing to reduce reliance on nursing homes	0	0	(3,000)	0
Adult Social Care	Eligibility Criteria	0	(400)	(400)	0
Quality Commissioning & Procurement	Home Care productivity through electronic monitoring. As part of the WLA homecare framework agreement, care providers are required to provide electronic monitoring. This efficiency can be delivered by monitoring the time on a more efficient basis	(579)	(579)	(579)	0
Quality Commissioning & Procurement	Home Care - Smarter Procurement. As part of the WLA homecare framework agreement, the Council has managed to secure lower average hourly rates for the homecare market resulting in these contractual savings.	(578)	(578)	(578)	0
Quality Commissioning & Procurement	Reprioritisation of 3rd Sector Investment Funds. The proposal is to review the Councils 3rd sector providers contracts with a reallocation of the investment fund and fast track budget.	(500)	(555)	(705)	0

Efficiencies

Community Services					
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Quality Commissioning & Procurement	Staffing efficiencies and headcount reductions in Quality, Commissioning & Procurement, Programme Management, Communications, Executive Support, and Senior Managers	(415)	(675)	(877)	(16)
Quality Commissioning & Procurement	London Borough Grant Efficiencies (London Council Levy)	(305)	(500)	(500)	0
Quality Commissioning & Procurement	Increased rental income from properties	(75)	(100)	(100)	0
Quality Commissioning & Procurement	Formalise joint commissioning through integration - The efficiency resulting from the joint funding and streamlining of work over a two year period.	(34)	(34)	(34)	(1)
Quality Commissioning & Procurement	Reorganisation of Advice services	(100)	(100)	(100)	(4)
Resources	Project Management service to be self financing and be phased in over two years with Business Units being recharged for service required.	(120)	(180)	(180)	(3)
Resources	Improved collection of Residential Charges	(300)	(300)	(300)	0
Resources	Maximising revenue from new and existing Careline products - May include differential contributions	(200)	(400)	(400)	0
Resources	Further productivity in Meals on Wheels costs. The department is exploring alternative models of meals provision to reduce costs, and determine whether the charge can be increased without reducing the benefit to vulnerable people.	(100)	(100)	(100)	0
Resources	Consolidating budget control efficiencies - Following the 09/10 outturn position, the department has reviewed all its cost centres and its adjusting the budget in a range of areas where there were underlying underspends.	(320)	(320)	(320)	0
Resources	World Class Financial Management (WCFM): As part of the Councils productivity programme, it will improve the working and efficiency of the finance function across the Council by standardising a number of financial processes with an expected 20% reduction in resources.	(98)	(264)	(264)	(6)
Resources	Productivity in management, support and procurement through 3 Boroughs Integration, and with the NHS	0	0	(1,500)	0
Cross Cutting	Planned Efficiencies from Area Based Grant expenditure	(714)	(2,424)	(2,815)	0
Total		(6,103)	(9,624)	(15,267)	(54)