REVENUE BUDGET 2012-2013 AND CAPITAL PROGRAMME 2012-2017

Key Issues
1. This is the second year of major reductions in Government Grant funding to Local Government. The level of reduction is in line with that predicted last year. The focus on financial issues has been doubly challenging with the need to implement the major savings in the 2011/12 budget while developing further proposals for 2012/13.

Savings
2. The level of savings required in 2011/12 was £19.6 million, more than 3 times the savings required for the previous year. For 2012/13 the savings (including increases in income) can be shown as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>New savings</td>
<td>14,182</td>
</tr>
<tr>
<td>Full year effect of 2011/12 savings not incorporated into the base budget and so shown separately in the budget papers</td>
<td>1,374</td>
</tr>
<tr>
<td>Full year impact of 2011/12 staffing savings included in the base budget</td>
<td>596</td>
</tr>
<tr>
<td>Gross Total</td>
<td>16,152</td>
</tr>
<tr>
<td>Estimated Savings falling outside the General Fund</td>
<td>-300</td>
</tr>
<tr>
<td>Net total</td>
<td>15,852</td>
</tr>
</tbody>
</table>

3. The Council’s budget sets out the resources available to provide each of the Council’s services over the next year. The Executive has made very clear to officers that the aim should be to ensure that core services to the public are maintained as a first priority, and that efficiency savings are maximised. To this end, the Corporate Leadership Management Team (CLMT) have worked with the Council’s Luton Excellence Support Team (LEX), all Heads of Service, finance staff and managers throughout the Council to put this budget together.

Council Tax
4. Last year the Council was able to freeze the Council Tax as its budget planning enabled it to take advantage of the grant offered by the Government of an amount equivalent to a 2.5% Council Tax increase. Last year this was worth £1.6 million to Luton which is now part of the council’s budget for four years. From 2015/16 the council is likely to need to make further savings to cover the fact that this grant will stop, and this is factored into the Medium Term Financial Plan. A recent speech by Eric Pickles, the Secretary of State for Communities and Local Government, held out the prospect that he would try to have that funding extended, but it is clear that there will be more requests to Treasury than there will be funding available. There has been a lot of publicity surrounding the Government’s plans to offer grants to freeze council tax again. However, the Government’s offer for 2012/2013 is different. This time the offer of funding to councils that freeze council tax has been stated to be a one-off grant, which will not continue into future years. Councils who were planning a tax increase and now accept the grant will be left with a shortfall in funding in
every year after this one. For Luton, that would be a cumulative total of over £8m over five years. Councils who take the grant will have to make up this shortfall through further savings or higher increases in council tax in future years.

5. On this basis the advice of Policy Group has been taken with regard to the Council Tax increase. Their advice was to put forward the budget with a proposal for a Council Tax increase of 3.4%. Several other unitary councils have also increased their Council Tax. However, it is clear that the majority of Councils will be taking the tax freeze grant.

6. The Government have announced that under the provisions of the Localism Act, they are minded to require any authority proposing an increase of more than 3.5% to undertake a referendum. However, Luton’s increase falls below this level.

Future Years

7. The Local Government Finance Bill, introduced just before Christmas, proposes the most fundamental changes to local government financing in living memory. On the basis that the Bill is enacted, from 2013/14 Councils’ basic funding will be provided from the retention of local business rates, rather than from formula grant. The Government have previously stated that this will be based on current planned funding levels, adjusted for 2012/13 formula changes. However, after this the grant formula, with its allocation of funding based on an assessment of needs, will end, and further funding will be based on changes in business rate income. It should also be noted that Government will ensure that overall local government funding is reduced in line with its planned spending totals, and hence remaining specific grants are likely to reduce or be ceased in future years, as the combination of the Spending Review and the Autumn Statement make clear that local government funding will continue to be reduced on an ongoing basis for the foreseeable future. It should also be noted that a number of local government finance advisors are concerned that with the Autumn Statement showing such a bleak position, there is a prospect of further reductions in 2013/14 as the Government seeks to improve the position of the public finances.

8. In addition, the Local Government Finance Bill proposes localising Council Tax benefit, along with reducing the funding for that benefit by 10%, while protecting payments to pensioners. This implies very substantial reductions in payments to non-pensioners, which will undoubtedly impact on the collectability of Council Tax from those losing benefit, as well as having major social impacts. Further, the risk from increases in the benefit bill will be passed from central Government to the Council, as it will receive a fixed amount to cover benefit payments at the beginning of the year, and if the actual cost of benefits increases due to a recession and more claimants, that will in the future be a cost to the Council and the taxpayer.

9. These changes and risks, combined with the introduction of the Universal Credit and the limitations on housing benefit, make the future financial – and welfare benefit – positions very uncertain and challenging.
Spend Pressures
10. The budget reflects increasing demand-driven spend pressures in certain key areas, in particular:

- Children in care, where numbers have continued to increase during 2011/12;
- Adult social care, in terms of those requiring physical and learning disability care packages, and care for the elderly, at home as well as in residential and nursing environments;
- Waste disposal and landfill tax
- The net cost to the Council of Housing Benefits.

The challenge for the Council is to manage the increasing costs of these statutory, demand-driven services when its income is reducing substantially.

The Current Position

Capital Programme
11. The Capital Programme is largely based on previously approved schemes, of which the largest are the Building Schools for the Future programme (that part of it which was not cancelled by Government in the summer), the Luton Dunstable Busway which is being built in partnership with Central Bedfordshire, the Luton Town Centre Transport Scheme, the M1 Junction 10a project and the Aquatic Centre. The key issues are:

- Under-funding for new school places in Luton has been partially addressed with an 11/12 supplementary grant of £3.9m and an increased allocation of £6.6m for 2012/13. This will assist in the continued expansion for primary schools, but there still remains a large shortfall and the urgent need of similar allocations for subsequent years, particularly to address the pending high school expansion needs that will become critical in Sept 2014.

- The need to limit the programme to match available resources. Luton has generally set its programme based on projected resources available over the 5 year capital programme period. Given the uncertainty over future resources, and the financial position the Council finds itself in, it is essential that the programme balances over 3 years as well as over 5, and even this involves significant risk. (The prudent approach is to achieve the resources before they are spent, but that would mean essential basic work could not be undertaken.)

- The overall scale of the programme. Luton is committed to a programme of a very large scale for an Authority of its size. This would be a risk at any time, given the potential for overspends impacting on the revenue budget. It is a major risk at this time when the revenue budget is having to be reduced so significantly, for two main reasons:
  a) The potential impact of a combination of capital overspends and the inability to achieve all of a demanding set of revenue savings
  b) The demands of managing a major capital programme, which requires dedicated resources, at a time of major change and staffing reductions.
12. Risk management measures have however been put in place to address these risks, and are detailed in Appendix B.

Schools Funding
13. Schools are funded directly from the Dedicated Schools Grant (DSG) – which also funds some functions carried out by the Council on behalf of schools. The amount of DSG depends on actual pupil numbers in 2012/13, as there is a guaranteed amount per pupil. The Government have stated that this will remain unchanged in cash terms until 2014/15, but have added a pupil premium which for 2012/13 will be £600 per pupil eligible for a free school meal at anytime in the last 6 years. The provisional allocation of the DSG has been agreed with the Schools Forum and the proposal is set out in Appendix J. (This excludes the pupil premium which will be determined following analysis of the January school census returns.)

Health Funding For Social Care
14. The government has provided funding to support social care that was given to primary care trusts for 2011/12 and 2012/13, on the basis that it would be transferred to local authorities to invest in social care services to benefit health. This has happened in Luton via an agreement under section 256 of the 2006 National Health Service Act, requiring £500k per annum investment in prevention services and £1.5m to help towards the demand-driven cost increases in existing services referred to in paragraph 10 above. This funding is included in the base budget, and it is assumed in the medium term planning that it will continue for the period of the current spending review, to 2014/15, but a new agreement may have to be developed with the successor to the PCT.

Value for Money
15. The need to seek value for money on an ongoing basis is and has been at the core of the Council’s plans for many years. The dramatic reductions in Government grant make it even more essential that value for money is obtained for everything the Council does. This is particularly important since the numbers of vulnerable people requiring care services continue to increase, as do the costs of environmental issues. This is why the Council created a Luton Excellence culture, supported by a Luton Excellence support team of experts, and has introduced lean thinking throughout the Council’s services. The Council continues to use collaborative procurement, and its e-procurement processes, within the context of its procurement and commissioning strategies, to make savings while aiming to achieve service and environmental objectives. The savings set out in the appendices to this report reflect the application of value for money principles in order to produce the budget proposals.

Budget Consultation and Scrutiny
16. The Executive delegated the task of undertaking budget consultation to the Finance Review Group, who are reporting separately to the Executive. The Group have taken the view that their consultation with the public last year was statistically robust, so development this year has been via a deliberative event. The highest priority from the original consultation was protecting the vulnerable, and this is reflected in the spend pressures for adult and children’s social care included in this budget, despite the reductions in government funding.
17. Consultation with the Schools Forum is a statutory part of the allocation of the dedicated schools budget, and the formulae used for the distribution of the individual schools budget. The Schools Forum supported the allocation shown in the appendix to this report.

18. The Trades Unions were consulted on the proposals for savings and spend pressures on 26 January.

19. Representatives of national non-domestic ratepayers, the local business community, were also consulted. This is a statutory requirement.

2012/13 Revenue Budget

20. For some years the Council has aimed to set a balanced budget without the use of reserves to pay for ongoing revenue expenditure, and the 2012/13 budget continues this approach. Key issues for members include the following.

- Setting a balanced budget for ongoing expenditure with no contribution from reserves for 2012/13.
- Re-affirming the key principles of the financial strategy.
- If the Council needs to use reserves to balance the budget for ongoing expenditure in 2012/13, how will those key principles be changed?

21. The current key principles that guide the financial strategy are set out below.

- To maintain a balanced budget position, and to set a medium term financial plan demonstrating how that position will be maintained
- Spending plans will be closely aligned with the Council’s aims and objectives
- The Council will maintain a prudent level of reserves
- Budgets will be continually reviewed and modified to ensure that resources are targeted on key objectives.

22. The base budget has been prepared by:

- Budgeting for staffing at current establishment levels, less allowances for staff turnover, and with no pay award included for 2012/13;
- Budgeting for supplies and services on the basis of no increase, except where contracts specifically require one (if a general inflation allowance of 2% had been included, this would have added approximately £400k of extra cost).

23. Each department’s base budget was subject to challenge by finance officers from another department. Information on the base budget for each department is shown at pages 1 to 28 of this book, together with an overall summary.

24. The basis of determination of the contingency provision is shown at Appendix B, arising from the consideration of the principal budget risks.

25. A comparison between the 2010/11 budget and the 2012/13 draft base budget is shown at Appendix A.
 Costs of Implementing the Savings Proposals

26. There will be a significant cost of implementing a number of the savings proposals in terms of redundancy and pension strain arising from staffing reductions. Every effort will be made to redeploy staff to minimise the human and financial impact. The 2012/13 budget includes a provision of £2.2million, and assumes that the Council will continue to be able to capitalise the cost of the statutory minimum payments made to individuals. It should be noted that this will largely be used to cover the costs of redundancies that will be part of the 2013/14 budget, as the accounting rules require redundancies to be accounted for in the year in which an announcement of the potential redundancy is made. So the majority of the redundancies associated with the 2012/13 budget will be accounted for in 2011/12, by way of a provision.

Collection Fund

27. The Executive delegated authority to me to determine the estimated surplus or deficit on the Council’s collection fund each year (EX/3/01). Accordingly I have estimated that Luton’s share of the surplus is £417,143. (The total surplus is £500,000 and this is shared between the Police Authority, the Fire Authority, and this Council.)

28. This is the first time for many years that the Council has been able to declare a surplus on the collection fund and reflects the improvement in Council Tax collection that has been achieved in the current year.

Budget Risk Management Strategy for 2012/13

29. Any budget of the size and range of the Council’s will result in a wide variety of risks. Therefore it is essential that the Council continue to develop, and then monitor, a budget risk management strategy, alongside the budget itself. A proposed Budget Risk Management Strategy is attached as Appendix B.

30. It must be noted that the Council will have to live within its budget. There will be no potential for new initiatives or extra spend outside the finally approved budget provision unless those initiatives can be wholly resourced, in the short term and the long term, without impacting on the budget.

31. The budget risk management scheme assumes the continuation of the cash-limit scheme.

32. The savings list includes an item, General Fund Risk/Reward re guaranteeing Housing Revenue Account interest rates, £900k. This is explained in more detail in Appendix C, on Housing Self Financing. The risk relates to general fund borrowing costs for the year 2022/23 and thereafter.

Capital Programme 2012/17

33. The 2011/16 General Fund Capital Programme included projects totalling £291,876,000. The review of the Capital Programme 2012/17 has been undertaken within the context of further reductions in revenue budgets and uncertainty in the property market. A ‘blank sheet’ approach has been adopted in relation to all budgets that are not ring-fenced. The process for the review has been as follows:
a) Requests for Capital funding were invited and received.
b) Each request was assessed by the Capital and Assets Forum against the prescribed LBC priorities and objectives
c) Each request was categorised as New, Existing, Slippage, Renewal and Contractually / Legally Committed.
d) Each request was further annotated with its’ funding source.
e) Business Cases and option appraisals were provided where requested for internally resourced new Funding requests.
f) Resources were reviewed and challenged for certainty and prudence.
g) The baseline position was assessed including new requests
h) The 2nd Quarter Capital Monitoring returns out-turn positions were analysed to challenge and check any proposed slippage or under-spends some budgets were reduced by fund holders following this review.
i) The Interim Assistant Chief Executive (at the time) undertook challenge and scrutiny of each funding request.
j) As a result of h) and i) above a number of funding requests and existing budgets are shown with amendments an/or funding reductions to achieve a revised base line programme.

34. The base-line position with all Options Appraisals included produced a deficit of £14.714m at 2014/15. The auditors have advised that a balanced programme should be achieved by year 3 (2014/15). To reduce the deficit, the internally resourced projects were challenged and prioritised to ensure affordability. The original bids to the programme and the proposed projects for inclusion can be found in Appendix I.

35. Internal resources are largely in line with the previous capital programme and prudential borrowing levels have been reduced by £571k. The analysis of the overall resources required to fund the programme is demonstrated below:
36. Major projects within the programme include:
   A  Luton Dunstable Busway (£87.7m)
   B  Building Schools for the Future (£68m)
   C  Town Centre Transport Scheme (£27m) - £4m to be funded by way of land donations
   D  Aquatic Centre (26m)
   E  M1 Junction 10a (£25.1m)

37. The total value of the revised programme is £369,062,700, which represents an increase of £77,186,700 on the 2011/16 programme. The most significant additions include the following.
   a) the construction costs of the M1 Junction 10A programme
   b) Schools capital additional spend
   c) A provision of £5 million for the potential purchase of investment properties (n.b. this is included only on a business case basis. Any proposal to use this funding will require a business case showing that, with 95% confidence levels on prudent assumptions, the spend will more than cover the annual costs of debt charges and principal repayment. On this basis, no revenue costs have been included for this proposal).

38. The key risk factors in relation to the Capital Programme are as follows:
   a) The overall size of the programme, which is very large for a small unitary authority
b) Resources, particularly dependence upon capital receipts and dividend
c) The potential for the lack of a strategic investment approach, resulting in a piecemeal and fragmented approach to investment
d) increased health & safety risks due to very limited expenditure on building maintenance and highways
e) Programme and project management risks associated with major projects and potential overspend
f) High value existing contractual commitments within the programme.
g) The under provision (although improved in comparison with last year) in required funding for additional primary school places.

Scale Of Charges
39. The majority of charges for 2012/13 were approved by Executive in November with an implementation date of 1st January 2012. A full list of the charges is shown on the yellow pages of this book.

Reserves
40. The Local Government Act 2003 requires the Chief Finance Officer’s views on the necessary level of reserves to be reported to full Council as part of the budget process. CIPFA have added to this by recommending:

- A review of the level of earmarked reserves as part of budget preparation, together with estimates of the use of reserves in the forthcoming year;
- A statement from the chief financial officer ‘on the adequacy of the general reserves and provisions in respect of the forthcoming year and the authority’s medium term financial strategy’.
- A protocol for the management, control, and use of reserves

41. Attached as Appendix G is a table showing a protocol for each reserve, setting out its purpose, how and when it can be used, and procedures for management and control. Also included in the table are estimated balances and estimates of the potential use of reserves in 2012/13. It is recommended that all the reserves continue to be reviewed annually as part of this budget report, in order to ensure continuing relevance and adequacy.

42. CIPFA’s Guidance note on Local Authority Reserves and Balances, of February 2003, sets out the issues that need to be taken into account in order to assess the adequacy of the unallocated general reserves. Essentially this involves looking at the strategic, operational and financial risks facing the authority, the budget assumptions, including the treatment of demand-led pressures, and the authority’s financial standing and management. This therefore involves a very wide-ranging assessment. Particularly important areas are the Council’s budget monitoring processes, the Risk Register, the Budget Risk Management Strategy, and the treatment of growth and savings. An assessment is set out in Appendix B.

Robustness of Budget Proposals
43. The Local Government Act 2003 makes it a requirement that the Head of Finance reports in public on the robustness of budget proposals. This report has been presented to Council as part of the Executive’s budget proposal.
Financial Health
44. In order to maintain a healthy financial position, the Council will need to continue to do the following.

- Keep to the balanced budget position.
- Identify projects that will achieve the level of savings required to balance the budget in the medium term, as set out in the Medium Term Financial Strategy (Appendix L).
- Work towards a capital programme that spends resources when they are received, rather than prior to their receipt.
- Manage the capital programme overall, by timetabling the major capital schemes to avoid the largest financial risks being taken on at any one time, to minimise the risk of the Council being left with cost overruns, and/or additional revenue impact.
- Continue to embed the value for money culture and the lean principles of the Luton Excellence project throughout the Council, so that the organisation is continually improving its customer service and providing more for less.
- Continue to combine medium term budget planning with the embedding of the Luton Excellence culture, so that work on budget planning and development proposals is an ongoing process during the whole year.
- Work towards the development of a revenue budget of a size that is sustainable in the long term, so that increases in pay and prices, net of efficiency savings, are in line with likely levels of grant support together with acceptable increases in Council Tax yield.
- Use one-off financial windfalls to fund one-off, non-recurring costs and schemes (currently the first call has to be for the costs of change, including redundancies and pension strain), so that the underlying spend is funded by underlying income, and the long-term budget situation remains balanced.
- Ensure that a prudent amount of revenue reserve is always maintained.

45. The Finance service continues to be reviewed and there are proposals in development to reorganise the Exchequer Services and Fraud functions. The financial regulations have been reviewed, and remain fit for purpose. During the year the services trading with schools were given approval to bid for any new work without reference to Executive, subject to the Finance Manager checking that the bid would result in a contribution to the Authority’s funds and not impinge on Council work.

Financial Strategy
46. The proposals in this draft budget further develop the Executive’s Financial Strategy which is set out in Appendix D.

Council Tax Levels
47. Current Council Tax comparisons with unitary councils, neighbouring authorities, and national averages, are set out in Appendix K. The list of unitary authorities is sorted with the lowest band D council tax at the top.
Proposal

48. The proposal has set

i. A revenue budget with a council tax increase of 3.44%, incorporating the savings shown at Appendix N and the growth shown at Appendix M.

ii. A capital programme as set out in the blue pages of this book on the basis of the resource statement set out in Appendix H.

iii. A medium term financial plan and strategy as set out in Appendix L.

49. In order to manage this effectively, the implementation of the Budget Risk Management Strategy set out in Appendix B will be essential. This includes the need for the savings development process to continue throughout 2012/13.

EQUALITIES IMPACT ASSESSMENTS OF BUDGET SAVINGS PROPOSALS - REVIEW BY THE HEAD OF CITIZEN ENGAGEMENT AND STRATEGIC POLICY

Overview:

50. The Equality Act 2010 and the associated Public Sector Duty from April 2011 together place a duty on local authorities to analyse the impact of their decisions. The Duty enforces the point that public bodies must start to consider equality impacts at the policy development stage, or when an organisational or functional change is being implemented, and not retroactively. Luton Borough Council has always considered and analysed its policies, service delivery and decisions with the support of Equality Impact Assessments (EIAs). The Council is mindful of the General Duty that has existed for some time to ensure that due regard is given to the advancement of equality of opportunity, and the fostering of good relations between people who share a protected characteristic and people who do not share it. In this regard Luton Borough Council has for many years gone beyond the pure data analysis of an EIA and considered the social inclusion and cohesion impacts wherever relevant and practicable.

51. For the budget proposals contained within this report, not all service change projects have undergone this process at the time of writing. This is because a few of the projects are still too early in the development and implementation process. For other projects, following initial analysis, it was agreed that an EIA was not required.

52. Impacts assessments are also undertaken where staff are involved and at risk of redundancy, or will experience major changes to their job role. In that context the Council is seeking to ensure that it is not acting in a discriminatory manner. Consultation and engagement has been integral to all major projects. At one level this ensures that the Council is not in breach of legislation. Importantly, it also ensures the Council is being open and transparent in its approach and in its consideration of the outcome of any specific project.

53. The Council ensured that lead officers were mindful of the Duty as well as the Equality Act through interventions early in the project development cycle. There was clear and early agreement on the projects which would require an equality or health impact assessment. When new projects were added, projects leads considered whether the impact analysis was required. Support and guidance was available to project leads to ensure that the best local data and intelligence was used.
54. The Council is committed to ensuring that the most vulnerable citizens are protected during these harsh financial times.

55. To this end, all EIAs must carefully consider the mitigation for potentially negative impacts or outcomes for citizens, customers or staff. Mitigation may include support for staff who are facing redundancy or ensuring that customers are engaged with and properly informed prior to a decision being taken. Where, for example, re-modelling of a service to vulnerable residents is being considered that those citizens affected have support from staff and, possibly, external advocacy services; and, that the needs of groups and individuals are considered as far as possible.

56. As part of the process of ensuring that the Council is considering the budget in relation to its wider community commitments, the transformation and savings projects have been considered in aggregate. In the tables that follow the projects have also been mapped in terms of impact against the most relevant key strategic priorities in the Corporate Plan 2011 – 2014, which was agreed by Full Council last July. These are the key strategic priorities that represent the main areas for protecting the most vulnerable citizens in the town. Not all projects fit neatly under these headings – some savings are process driven and do not have any direct impact on citizens. The budget savings also have a staffing dimension – details are contained within individual EIAs but the tables below indicate whether an EIA was required and provide assurance that it was undertaken.

<table>
<thead>
<tr>
<th>Empower, support and protect the vulnerable</th>
<th>Improve life and learning opportunities for all</th>
<th>Improve health and promote health equality</th>
<th>Ensuring fair access to services</th>
</tr>
</thead>
</table>

The 84 projects that underpin this budget can be broken down by department as shown below. This does not provide any indication of the differing size and nature of projects but is simply a tally.

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of individual projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children and Learning</td>
<td>8</td>
</tr>
<tr>
<td>Housing and Community Living</td>
<td>30</td>
</tr>
<tr>
<td>Environment and Regeneration</td>
<td>23</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>11</td>
</tr>
<tr>
<td>Corporate Structure</td>
<td>1</td>
</tr>
<tr>
<td>Strategic Sourcing</td>
<td>5</td>
</tr>
<tr>
<td>Property Services and Estate Rationalisation</td>
<td>4</td>
</tr>
<tr>
<td>Income and Financing</td>
<td>2</td>
</tr>
</tbody>
</table>

Further details follow and are set out elsewhere in these budget papers.

57. The table above shows that Housing and Community Living has the highest number of projects identified for 2012/2013. The main protected groups that these projects will affect are those services supporting older vulnerable persons...
and adults with a learning disability. However, as stated earlier, it is also the scale of the projects involved that need to be considered and not simply the number of projects per se.

58. In particular, the projects within Housing and Community Living bundle should not just be seen in the context of the current financial situation but also the ongoing, strategic modernisation of services within adult social care. This is in line with the national objectives of providing services that citizens can commission themselves via personalisation of budget, and fits with the national agenda of independence and choice. Importantly, the projects relate to the re-modelling of services as opposed to closure or discontinuation services in the borough. This is in line with the Council’s stated aim of becoming a more focused authority that commissions services, rather than being the direct provider of such services. It also supports the promise of protecting and continuing to support the most vulnerable citizens, and with the principles of prevention and early intervention.

59. Both of the Trusts, which provide leisure and sporting activities to the public, come under review in relation to funding. No detailed impact assessments have yet been undertaken on the decisions facing these two large organisations. Both Trusts provide services that are not mandatory but can have an impact on the cohesion, inclusion and health within the town.

60. There are other projects across the Council, including those within Environment and Regeneration, which have an impact on citizens - the review of customer travel, street cleansing and the Blue Badge Scheme, for example.

61. Some 23 projects have been put forward by Environment and Regeneration for 2012/13. The majority of the services provided are town-wide and therefore affect all residents and the built and living environment. The department provides a large number of statutory services, which will continue. Services have been reviewed and redesigned so that the impact on residents is minimised but some of the schemes will inevitably impact on the number of employees required to provide these services. Other schemes identified – including, reductions in the economic development budget – will need to be implemented so that they do not impact on the ability of the Council to support and progress new business initiatives given the key link with employment in the town. Potential impacts in this area could be intensified by the withdrawal of face-to-face support for businesses offered through Business Link.

62. Proposals in the environmental protection team are unlikely to have a community impact. The required staffing numbers have been based on figures on the level of abandoned vehicles. Whilst this is a significant issue for Luton’s communities, proactive management and an increase in the value of scrap metal has reduced the impact considerably.

63. Proposals within the environmental and consumer services area have focused on the deletion of long term vacant posts thereby helping to protect employment. Services have been managed without this resource with no detriment to the community. There will be some loss of service within the environmental health food team, which will reduce down the number of visits to medium risk food establishments but this will be carefully monitored.

64. Children and Learning have eight projects in the coming financial year with a combined value of £2.1million. This should be seen in the context of the loss of grants in earlier years and national budget cuts. Re-modelling of services and significant savings have also been made in the current financial year. Children
and Learning have to provide a number of non-discretionary, statutory services for which there is currently rising demand in Luton – a town with high levels of deprivation. Two of the projects apply to children with special needs.

Health Impact Assessments:
65. Public health is now based within the local authority, which builds on already strong partnership working. Three health screening questions were considered initially for any projects where potential health implications were identified.

<table>
<thead>
<tr>
<th>Is the proposal likely to impact disproportionately positively or negatively on the health and wellbeing of specific groups?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will the proposal potentially lead to positive or negative changes in how people have contact with health and/or care services?</td>
</tr>
<tr>
<td>Could the proposal have a positive or negative effect on the health of the wider community, i.e. healthy living, attendance at dedicated local health sessions?</td>
</tr>
</tbody>
</table>

66. So far two HIAs have been completed covering the reprovision of older people’s care at Westlea and Laurels residential care homes, and the re-location and re-modelling of day care services at Stopsley, Milan and St. Monica’s dementia service. Joined up working between the Council and public health means that there is a systematic review of projects to ensure that HIAs are considered and undertaken where appropriate and proportionate. Where there was an identified impact within the HIA, mitigation is considered and actions set out.

Protected Groups – Impact:
67. It is not possible at this time to give a complete demographic breakdown of affected citizens due to the fact that many EIAs are not yet in the project phase where this level of work is undertaken. However, by looking at those EIAs already undertaken and the overall aim of the projects that are in-progress, a view on overall impact can be formed. The impact is based on statistical analysis in relation to those projects that are considered to have the most front facing elements – largely citizens who receive care and support because of a disability, are frail elderly or more generally vulnerable. Data and information has been sourced internally and from returns compiled and sent to government departments and regulators. Information for children’s services is based on quarterly returns.

The analysis below does not include faith or belief, or sexual orientation or transgender. This is not because the Council is excluding these elements of the Equality Act, rather it is because the initial analysis is not showing any disproportionate outcomes at this time. However, the Council is working closely with Stonewall (a leading LGBT organisation) and the Luton Council of Faiths to ensure there is no discrimination and that it is taking on board the views of these groups during the initial and consultation stages of an EIA.

68. Following the protected characteristics overview below, there is a table summarising where all projects are within the EIA process at the time of writing.
<table>
<thead>
<tr>
<th>Protected Characteristic</th>
<th>Impact</th>
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<tbody>
<tr>
<td>Age</td>
<td>There will be an impact on age. This is due to the nature of the 2012/13 projects within Housing and Community Living and Children and Learning. Within Environment and Regeneration there are projects that will affect front facing services: for example, the transport review. There is a wider impact on those receiving care and support services for those aged 18 and over, this is because the larger number of projects will have an immediate impact on their daily lives. This does not preclude the outcome for younger persons aged below 18, where services are presently under review for re-modelling (and there figures are also shown below.</td>
</tr>
</tbody>
</table>

In relation to age, and specific to Adult Social Care Services those over the age of 65 the take up is 3145 receiving a service during 2010/2011 (this figure excludes those identified as substance misusers and other vulnerable persons). Some of this care will be long term across the whole year and some of this would have been short term intervention. Of this group 2243 receive some form of community based support e.g. home care, day care, meals at home. Re-modelling is more pertinent to those receiving day care and over the age of 65 this equates to 384 customers of whom 273 have a physical disability, 108 have a mental health disorder including dementia and 13 have a learning disability. Therefore this re-modelling will not be disproportionate to the customers as a whole, but the projects themselves disproportionately affect this group of customers.

For those 18 – 64 (ages based on DOH return) the whole number of those who have received a service in 2010/11 is 1645 customers (again excluding those who receiving a service for substance misuse), again they would have received care packages both of a long term nature and for others short term support. Of these customers those receiving a community based day care service are physical disability 56, mental health 21 and those with a learning disability 193. Those receiving a respite service the figures for during 2010/11 physical disability 21, mental health 18 and a learning disability 80.

Therefore any re-modelling of service provision would have an impact on customers up to age 64 and particularly for those age 65+ and vulnerable elderly.

The number of children who are known to the Children with Disability Team with an open relationship is 273 children (Quarter 2 information).

Children in receipt of respite shows that in the year to date figure to 30 September 2011, 386 are identified as having either Autism or behaviour that challenges, with the other 76 children having complex/health needs. Full impact assessment have not yet been
undertaken on these projects so now real analysis can yet be analysed, we are only able to state the number of children involved in any project that may affect children with special needs/learning or physical disabilities.

This differentiation in age impact can also be explained in that according to the ONS Mid-year population estimates, the age structure of Luton’s population differs from that of the GB population as a whole. Luton has a younger population that of Great Britain and the eastern region. The “Under 4s” account for 8% of the Luton population compared with 6% in the wider areas. The “5-15” age group accounts for 14% of the Luton population compared with 13% in GB and the eastern region. The “Over 65” age group represents 12% of the Luton population compared with 16% nationally and regionally.

| Gender | There will be an impact on gender. The impact on provision based on the take up of services across the whole of adult social care shows that the demographics of those who have received a service in 2010/11 is 2872 females and 1923 males. Females make up 60% of those who were in receipt of a service in 2010/11 and the impact is therefore likely to be greatest on females. This should be seen in the context of the demographics of the town. The whole population by gender is |
|        | Males = 51.6%  
Females = 48.4%  
In terms of aging: women have a longer life expectancy than men. |

| Disability | There will be an impact on people with disabilities and their carers/families. Also disability is a wide ranging descriptor. In legislation a person with a disability for example can be a person with Cancer, a degenerative illness, have mental health problems, a learning disability or long standing illness. During the lifetime of the person with the disability they may need to come into contact with children or adult social care support services. Our RAP for Adult Social Care return to the DOH shows that we provided a service to those aged 18 – 64 as 562 customers who had a learning disability, 377 persons with a mental health problem (includes those with early onset dementia) 706 persons with a physical disability including those with sensory disabilities. For those aged 65+ receiving a service in 2010/11 the figures are; learning disability 35, physical disability 2675 (this includes the large number of customers identified as frail elderly and requiring social care intervention and support) and mental health including those with dementia 429.  
Of these receiving community based support including day care and respite care – those figures are to be found in the column for age. |
Ethnicity

There will be an impact in relation to ethnicity and this reflects the demographics of the Town. The demographics of Luton show that we are a Town of super diversity, but with a long standing community of Irish, Pakistani, Indian, Bangladeshi, Kashmiri and of course the indigenous white British population. We provide some services that are specific to those communities, but also provide services across whole communities, Day Care and Health and Well Being clubs being a strong case in point. The impact will therefore be on the White British community in relation to the analysis, and this fits with the demographics of the town particularly in regard to those in the older age categories. This is because within the older population there is a demographically larger percentage of White British, this however changes when looking a children and learning, where ethnicity demographics show this not to be the case. This is reflected in the number of children with disabilities coming from BME backgrounds.

The breakdown of the ethnicity of children in receipt of respite services show a differing picture, and this again is a picture of the demographics of Luton which is changing. For those children 127 are known to come from the Pakistani community whilst 171 come from the White British community. These are old established communities within the Town, and it is to be noted that of the new European community only 1 child is identified as having a European heritage.

Appendices and additional background papers attached:
The following appendices are part of this report.

Appendix A – Analysis of Variances between 2012/13 Net Expenditure prior to Growth and Savings, and the 2010/11 Budget.
Appendix B – Risk Management Strategy and Contingency Provision
Appendix C – Housing Revenue Account Self Financing and the Proposed General Fund Financing Saving
Appendix D – Financial Strategy
Appendix E – Analysis of the position regarding Equalities Impact Assessments of savings proposals
Appendix F – Government Grant.
Appendix G – Protocol for the Management, Control and Use of Reserves
Appendix H – Capital Resource Assessment
Appendix I – Capital Programme Option Appraisals
Appendix J – Schools Budget 2012/13 – Use Of Headroom
Appendix K – Council Tax Comparisons – 2011/12 Levels
Appendix L – Medium Term Financial Plan and Strategy
Appendix M – Growth
Appendix N - Savings