

JOINT MEETING OF THE SCRUTINY COMMITTEES AND COMMISSIONS	Agenda Item No. 3
10 FEBRUARY 2014	Public Report

Report of the Executive Director of Strategic Resources

**Contact Officer(s) – John Harrison, Executive Director of Strategic Resources
Steven Pilsworth, Head of Strategic Finance**

**Contact Details - (01733) 452520 or email john.harrison@peterborough.gov.uk
(01733) 384564 or email steven.pilsworth@peterborough.gov.uk**

BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY TO 2023/24

1. PURPOSE

- 1.1 This report comes to the Joint Meeting as part of the Council's agreed process for budget setting.

2. RECOMMENDATIONS

- 2.1 That the Joint Meeting considers the Budget 2014/15 and Medium Term Financial Plan to 2023/24 and makes any appropriate recommendations.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 The Budget 2014/15 and the Medium Term Financial Plan continues to align to the priorities and vision for Peterborough set out in the Sustainable Community Strategy.

4. BACKGROUND

- 4.1 The Cabinet meeting on 3 February 2014 is expected to consider their proposals for the Budget 2014/15 and the Medium Term Financial Plan to 2023/24 following the provisional local government settlement which was announced on 18 December 2013.

1. Agree the following as the basis for the next stage of the budget consultation
 - a) That the MTFFS is set in the context of the council priorities.
 - b) The Budget monitoring report as the latest probable outturn position for 2013/14.
 - c) The draft revenue budget for 2014/15 and proposed cash limits for 2015/16 to 2023/24 (including the capacity bids and saving proposals).
 - d) The draft capital programme for 2014/15 and proposed cash limits to 2023/24 and associated capital strategy, treasury strategy and asset management plan.
 - e) The proposed council tax freeze in 2014/15 and 2015/16 with indicative increases for planning purposes of 2% for 2016/17 to 2023/24.
 - f) To spend at the level of the Dedicated Schools Grant for 2014/15 to 2023/24.
 - g) The proposals for reserves and balances.
 - h) Confirm the proposals for setting fees and charges for 2014/15.
2. Approve the budget proposals as the basis to consult with Scrutiny, Staff, Unions, Stakeholders.
3. Have regard for the continuing uncertainty of national public finances, the impact that dwelling and business growth locally will have on future funding arrangements.

4. Recognise the challenge to close a significant forecast gap of £18m in 2015/16 and also the further gaps in later years.
5. Note that government Grants will not be confirmed until the final settlement is released in February 2014.

4.2 Members are reminded to bring their copy of the Budget 2014/15 and Medium Term Financial Strategy to 2023/24 dated 3 February 2014 to the meeting.

4.3 All Cabinet Members and Directors have been requested to attend to answer specific questions the Joint Meeting may have.

5. KEY ISSUES

5.1 The key issues are contained within the Budget 2014/15 and Medium Term Financial Plan to 2023/24.

6. IMPLICATIONS

6.1 Implications are contained within the Budget and Medium Term Financial Plan.

7. CONSULTATION

7.1 The budget consultation process is outlined in the Budget and Medium Term Financial Plan (Page 15, section 10). The consultation will be open for nearly six weeks to ensure that residents, partner organisations, businesses and other interested parties have the chance to comment on all of the savings, efficiencies, service reductions and investments they plan to make to enable the city to continue to grow and give residents the best quality of life.

8. NEXT STEPS

8.1 Any recommendations and comments made by the Joint Meeting will be referred to the Cabinet for consideration at their meeting on 24 February 2014.

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

9.1 None.

10. APPENDICES

10.1 Appendix 1 provides additional information for Scrutiny following a recommendation to provide further detail of the budget proposals impacting on current budgets. The appendix provides the current budget monitoring position, the base budget before any prior year budget adjustments and the pressures and savings included in the budget consultation. The other key document relevant to scrutiny is referred to in paragraph 4.2 of this report.

Appendix 1

Further breakdown of pressures and savings against budgets

ADULT SOCIAL CARE, HEALTH AND WELLBEING

New Department (showing previous department and service area)	Budget 2013/14* £k	Forecast Spend 2013/14 £k	Forecast Variance 2013/14 £k
ADULT SOCIAL CARE, HEALTH AND WELLBEING			
ASC- Directors Office	445	447	-2
ASC - Care Services	6,674	6,510	164
ASC - ISP	35,810	36,440	-630
ASC - Quality Information and Performance	1,148	995	153
ASC - Finance and Organisational change	-837	-1,414	577
TOTAL ADULT SOCIAL CARE, HEALTH AND WELLBEING	43,240	42,978	262

Base Budget 2013/14 £k	Pressures £k	Savings £k	Comments
445			
6,674		-1,092	Cease provision of transport for service users -£175k Transformation & personalisation -£637k Joint initiatives with Children's Services -£50k Older People Day Services -£150k Alternative Provision of Commissioned Employment Services for Mental Health -£80k
35,810	1,449	-1,715	Contracts & Procurement £396k Winterbourne Review £945k Welfare Reform Changes £108k Day Services for Younger Adults -£400k Reablement -£200k Eligibility -£100k Panel reviews -£100k Physical Disabilities -£150k Support Cost/Resource Allocation -£125k Continuing Health Care -£75k Respite -£150k Personal Assistants -£75k Assistive Technology -£80k Direct Payments & Personal Budgets -£100k Support Planning & Panel Review -£160k
1,148		-50	Joint initiatives with Children's Services -£50k
-1,160		-50	Support Cost Efficiencies (Non-staff) -£50k
42,917	1,449	-2,907	

* Budget 2013/14 includes use of approved reserves which do not form part of the base budget for budget setting purposes

CHIEF EXECUTIVE'S DEPARTMENT

New Department (showing previous department and service area)	Budget 2013/14* £k	Forecast Spend 2013/14 £k	Forecast Variance 2013/14 £k	Base Budget 2013/14 £k	Pressures £k	Savings £k	Comments
CHIEF EXECUTIVE'S DEPARTMENT							
CEX- Chief Execs Office	338	338	0	338			
CEX - Chief Execs Departmental Support	121	111	10	121			Pending transfer to Legal & Governance
OPS - Commercial Operations	-1,388	-1,205	-183	-1,388	115	-136	Travel Choice Visitors Centre £115k Markets - Contract Negotiation on Cleansing -£40k CCTV - Contract Negotiation on Line Rental -£16k Invest in Parking Enforcements -£30k Great Eastern Run -£50k
TOTAL CHIEF EXECUTIVE'S DEPARTMENT	-929	-756	-173	-929	115	-136	

* Budget 2013/14 includes use of approved reserves which do not form part of the base budget for budget setting purposes

CHILDREN'S SERVICES

New Department (showing previous department and service area)	Budget 2013/14* £k	Forecast Spend 2013/14 £k	Forecast Variance 2013/14 £k
CHILDREN'S SERVICES			
CHS - Education	6,404	6,179	225
CHS - Safeguarding families and communities	7,930	8,347	-417
Savings plan to be agreed		-359	359
TOTAL CHILDREN SERVICES	14,334	14,167	167

Base Budget 2013/14 £k	Pressures £k	Savings £k	Comments
5,985		-631	Workforce Development -£23k Reviewing Education Support Service -£524k Support Services to Children's Services -£84
7,930		-753	Youth Offending Service -£50k Social Care Improvement -£678k Adoption Placement Selling -£25k
0			
13,915	0	-1,384	

* Budget 2013/14 includes use of approved reserves which do not form part of the base budget for budget setting purposes

COMMUNITIES

New Department (showing previous department and service area)	Budget 2013/14* £k	Forecast Spend 2013/14 £k	Forecast Variance 2013/14 £k	Base Budget 2013/14 £k	Pressures £k	Savings £k	Comments
COMMUNITIES							
ASC - Strategic Commissioning	3,693	3,701	-8	3,693			
CHS - Strategy, Commissioning and Prevention	38,221	39,357	-1,136	38,221	1,019	-1,308	LAC Transport £100k Looked After Children £919k Children's Centres -£931k Careers Advice/Guidance/Youth Support Services - £132k Reduction in Costs of Supporting Looked After Children -£245k
OPS - Neighbourhoods	3,211	3,554	-343	2,894	150	-345	Homelessness Bed & Breakfast Costs £150k Housing -£50k Fixed Penalty Notice Enforcement -£200k Supplies & Services Reductions (Ops) -£50k St Georges Hydrotherapy Pool -£45k
OPS - Public Health	-491	-491	0	-491		-1,090	Grant Increase & Re-Organisation of Services - £1090k
TOTAL COMMUNITIES	44,634	46,121	-1,487	44,317	1,169	-2,743	

* Budget 2013/14 includes use of approved reserves which do not form part of the base budget for budget setting purposes

GOVERNANCE

New Department (showing previous department and service area)	Budget 2013/14* £k	Forecast Spend 2013/14 £k	Forecast Variance 2013/14 £k
GOVERNANCE			
ASC- Quality, Information and Performance	300	261	39
CEX- Legal	3,657	3,655	2
CEX - Communications	583	766	-183
CEX - Human Resources	992	969	23
OPS - Neighbourhoods	830	940	-110
TOTAL GOVERNANCE	6,362	6,591	-229

Base Budget 2013/14 £k	Pressures £k	Savings £k	Comments
300			
3,589	426	-386	Coroner Reforms £250k Legal Contract Support £126k Changes to Electoral System £50k Re-organisation of Legal & Governance -£203k Remove Community Leadership Fund -£183k
583			
992		-81	Reduction of 1xSnr Business Partner -£57k Reduction in Training & Development -£24k
830	25	-70	Late Night Levy Income £25k, Licensing -£70k
6,294	451	-537	

* Budget 2013/14 includes use of approved reserves which do not form part of the base budget for budget setting purposes

GROWTH AND REGENERATION

New Department (showing previous department and service area)	Budget 2013/14* £k	Forecast Spend 2013/14 £k	Forecast Variance 2013/14 £k	Base Budget 2013/14 £k	Pressures £k	Savings £k	Comments
GROWTH AND REGENERATION							
CEX - Growth and Regeneration	1,806	1,806	0	1,686	50		Opportunity Peterborough £50k
OPS - Planning Transport and engineering	14,284	13,922	362	14,239	406	-323	Street Lighting Energy Costs £340k Resilience Function £66k Local Plan -£61k Reduction of Carbon Reduction Budget & Sponsorship of Environment Capital Conference - £16k Re-organisation of Planning, Transport & Engineering -£101k Sales of Housing Strategy Services -£20k Enterprise - Trees & Woodlands Efficiencies -£100k Remove Environment Grant and Reduce Biodiversity Strategy Budget -£25k
TOTAL GROWTH AND REGENERATION	16,090	15,728	362	15,925	456	-323	

* Budget 2013/14 includes use of approved reserves which do not form part of the base budget for budget setting purposes

RESOURCES

New Department (showing previous department and service area)	Budget 2013/14* £k	Forecast Spend 2013/14 £k	Forecast Variance 2013/14 £k
RESOURCES			
SR - Director's Office	199	199	0
SR - Corporate Services	17,075	16,806	269
SR - Environment Capital	-260	-215	-45
SR - Internal Audit	295	251	44
SR - Insurance	41	41	0
SR - Strategic Client Services	5,624	5,062	562
SR - Peterborough Serco Strategic Partnership	8,825	8,825	0

Base Budget 2013/14 £k	Pressures £k	Savings £k	Comments
199			
17,331	5,799	-4,009	Business Transformation £2,528k Pay Award £495k Energy Inflation Indices £70k Energy Park Delay Costs £384k Capital Financing Investment Costs £2,322k Inflation -£240k Risk Management Contingency -£207k External Audit -£30k Finance Efficiencies -£72k Unallocated Inflation -£366k Capital Financing Savings -£2,799k Pay Award held at 1% -£283k Energy Initiative Savings Target -£12k
-260	140		Carbon Reduction Commitment £140k
295			
41			
5,624	303	-773	Football Ground Income Loss £303k Commercial Property Efficiencies -£220k Re-Organisation of Client Services Team -£100k Reduce Office Accommodation Costs -£453k
8,825		-775	Reductions in Serco Strategic Partnership & Business Support -£775k

SR - ICT	3,972	3,972	0
SR - Waste and Operational Services Management	14,259	14,059	200
SR - Cultural Services	4,075	4,198	-123
SR - Registration and Bereavement	-937	-1,045	108
SR - Westcombe Engineering	7	28	-21
CHS- Resources	-20,641	-20,461	-180
CEX - Growth and Regeneration	147	147	0
OPS - Planning Transport and engineering	201	188	13
TOTAL RESOURCES	32,882	32,055	827

3,972	250	-602	Cost of moving to Cloud £250k Review of ICT projects/costs -£461k New Broadband Provision -£141k
14,259		-1,355	WEEE Facility Closure -£66k Charge for Garden Waste Collections -£804k Sport Pitch Attendance & Pavilion Cleaning -£45k Grass Cutting Services -£78k Play Area Inspection -£15k Changing Planting & Creating Wild Havens -£58k Savings in Landfill -£100k Enterprise Contract Cost Control -£149k Charging Developers for New Bins -£40k
3,924	47	-335	Vivacity Retained Budget £47k Vivacity Capital Investment to Generate Efficiency Savings -£133k Peterborough Arts Festival -£45k Central Library -£50k Increased Income Hampton Premier Facility -£37k Book Fund Reduction -£70k
-1,096		-100	Increased Income - Bereavement Service -£46k Increased Income - Registration Service -£54k
7			
-20,641	164	-310	Special School Transport £164k Schools Capitalisation (contribution from reserves) -£250k Special School Transport -£60k,
147			
201			
32,828	6,703	-8,259	

TOTAL GENERAL FUND	156,613	156,884	-271
---------------------------	----------------	----------------	-------------

155,267	10,343	-16,289	
----------------	---------------	----------------	--

* Budget 2013/14 includes use of approved reserves which do not form part of the base budget for budget setting purposes