

COUNCIL MEETING 5th MARCH 2014

BUDGET AMENDMENT PROPOSAL

Amendment to be moved by Independent Forum as follows:

The motion is that that the proposed budget as set out in the budget papers be amended by the updates in sections 1-3 of this motion, plus the relevant appendices.

The updated recommendations to Council are as follows (with changes highlighted in italics):

R E C O M M E N D A T I O N S
FROM : Executive Director - Resources
That Council is recommended to approve:
a) The revenue budget for 2014/15 and the medium term financial strategy to 2023/24, set in the context of the sustainable community strategy, <i>including the updates from the alternative budget proposal</i>
b) The capital programme for 2014/15 to 2023/24 and associated capital strategy, treasury management strategy and asset management plan, <i>including the updates from the alternative budget proposal</i> ;
c) The council tax freeze in 2014/15 with indicative forecasts of a freeze in 2015/16 and indicative increases of 2.00% in 2016/17 to 2023/24 for planning purposes;
d) The setting of fees and charges for 2014/15
e) The reserves position
f) The council tax setting resolution as set out in appendix A;
g) <i>That Sustainable Growth and Environment Capital Scrutiny Committee reviews proposals for moving to an externally hosted data centre, which currently has funding in the 2014/15 capital programme of £1.35m, plus on-going revenue costs of £250k per annum</i>

The formal Council tax resolution is unchanged by this amendment, and remains as per the Council papers.

1. Revenue Budget Amendments:

The following revenue budget amendments are proposed:

Description	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 & beyond £k
Extra Costs				
Retain Hydro-therapy centre	45	45	45	45
Remove current Childrens centre savings	931	1,181	1,181	1,181
Fund additional bus services				
Parish Councils could bid for additional bus services, run by current providers, for their parishioners.	40	40	40	40
Total extra costs to be funded by savings	1,016	1,266	1,266	1,266
Savings				
Revised Childrens centre savings				
Reduction in funding to providers of a third, equally applied across all centres (see appendix 1)	-853	-853	-853	-853
Savings from AMEY Budget (Bedding cut 30%)	-7	-7	-7	-7
Savings from AMEY Budget (10% reduction in shrub maintenance.)	-20	-20	-20	-20
Long Causeway - delay 2 years (see capital amendments in section 2 below)	-45	-130	-85	0
Member Special Responsibility allowances				
20% reduction in all SRA's (Cabinet, Cabinet adviser and Committee chairs). Specific proposals will be brought forward to the next Council meeting on April 16 th . This will require the support of 12 Members, as a Council decision on allowances has been made within the last 6 months. As such the first years saving is reduced to take account of this.	-41	-46	-46	-46
Reduce communications budget				
Cut the remaining edition of "Your Peterborough" and the council tax leaflet plus a post in communication	-50	-50	-50	-50
Total saved	-1,016	-1,106	-1,061	-976
Net Impact on Budget – extra costs	0	160	205	290
Additional childrens centres proposals				
Savings to be increased from £0.853m to £1.028m in 2015/16 and £1.154m in 2016/17 (see appendix 1). Further work would be needed to assess the proposal		-175	-301	-301
Overall impact on Budget	0	-15	-96	-11

The full ten year position is included in appendix 2.

2. Capital Budget Amendments:

2.1 The following Capital programme amendments are proposed:

Description	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 and beyond £k
Delay Long Causeway project to 2016/17	-2,000	0	2,000	0
Net Impact on Capital Budget	-2,000	0	2,000	0
Revenue impact of capital changes (transferred to revenue amendments above)	45	130	85	0

2.2 The Peterborough Independents consider a review of the planned expenditure on the proposed ICT data storage system is required. They consider it is sensible to delay expenditure on this programme to review options. However, in the time available, the Peterborough Independents had to give regard to officer advice that the capital expenditure of £1.35 million cannot be removed from the budget. Instead we recommend a full scrutiny of the figures and a review of need before starting the procurement process.

This recommendation is made because:

- Alternative solutions for Peterborough City Council's data storage have not been tabled.
- The forecasted £1.35 million capital spend on the programme is open to question.
- Councils have a duty to seek good value for money and assess need before proceeding with any capital programme.

Therefore it is recommended that Sustainable Growth and Environment Capital Scrutiny Committee reviews proposals for moving to an externally hosted data centre, which currently has funding in the 2014/15 capital programme of £1.35m, plus on-going revenue costs of £250k per annum

3. Impact on the Overall Budget:

	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k
Current MTFS 'Bottom line'	0	17,603	22,236	23,593	26,107
Net impact of alternative budget amendments	0	-15	-96	-11	-11
Revised Surplus (+) / Deficit (-)	0	17,588	22,140	23,582	26,096

The full ten year position is included in appendix 3.

Appendices:

1. Childrens Centres proposal, plus Director advice
2. 10 year MTFS figures for amendments
3. Impact in overall MTFS

Childrens Centres

Proposal by the Independent Group

In 2014/15 reduce provision to all centres by 33%, and then reduce provision by a further 20.5% in 2015/16. Finally reduce provision by a further 11% in 2016/17. Children's Centres would continue to receive a grant at this level in further years. It is up to centres to decide how to operate at this level. All centres would have the opportunity to remain open and to find the necessary cuts. Centres could share resources and possibly staff in order to economise. Co-operation between centres could improve the level of security for children centre funding. Furthermore this will result in fewer redundancies than the current plans. We propose each local centre would also work with the local community and formulate a plan to increase their provision with alternative funding.

Looking at the figures from 2012 - which were the only figures the financial department could release for the Independents to consider - there are areas for significant efficiencies. We trust that each centre would be happy to use our reduced budgets in order to ensure that no centres are closed and each community retains its local provision. Local provision will also prevent unknown hidden costs impacting upon proposed savings of £931 and £1181. (Eg. Under disability act - the current plans may be liable to provide transport for people with disabilities)

Commentary from Director of Communities

The budget information shared with the working group for children's centres were budgeted costs as at February 2012 prior to the service being outsourced to Spurgeons and Barnardos. At the time of transfer, the budget was reduced (by 7%) so spend would have been less but equally the two organisations would have changed their spending patterns so it's no longer applicable to target cuts at particular spend headings. Therefore an expected delivery against subjective headings such as stationary, printing etc. cannot be assumed.

In addition, a significant element of the costs for running the centres are fixed and the savings will not be proportional in relation to reduced opening hours i.e. rates bill is fixed and will be consistent regardless of opening hours.

Any reduction in hours will need to be negotiated with the service provider and they may not be agreeable to this change or may generate more costs e.g. redundancies.

Further salami cuts of the budget of this service will simply lead to an accelerated degradation of service delivery. The process currently underway to review using the existing buildings and still providing a range of services will probably be more effective than a further universal cut on services. The saving also increases in 2015/16 and 2016/17 in the proposal, and further slicing of service will mean we are unlikely to meet the requirements of operating as a children centre under the revised Ofsted framework.

At this late stage, it is not possible to accurately review the change in service that will be forthcoming as this could take several weeks and therefore the risks of this approach are significant.

Appendix 3

Overall Impact on MTFS

	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2018/19 £k	2019/20 £k	2020/21 £k	2022/23 £k	2023/24 £k
Current MTFS Deficit	0	17,603	22,236	23,593	26,107	28,610	30,675	32,131	30,597	34,705
Net impact of alternative budget amendments	0	-15	-96	-11	-11	-11	-11	-11	-11	-11
Revised Deficit	0	17,588	22,140	23,582	26,096	28,599	30,664	32,120	30,586	34,694