

2013/14 BUDGET AND REVIEW OF SERVICE PLANS

Services Select Committee – 1 November 2012

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For Decision

Also considered by: Environment Select Committee – 23 October 2012

Social Affairs Select Committee - 30 October 2012

Key Decision: No

Executive Summary: This report sets out proposals for updates to the 2013/14 budget within the existing framework of the 10-year budget and 4-year savings plan. The report presents some service changes that have been identified by managers and these need to be considered before finalising the budget for 2013/14.

This report supports the Key Aim of effective management of Council resources.

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager – Financial Services – Adrian Rowbotham

Recommendation to Environment Select Committee / Social Affairs Select Committee / Services Select Committee:

The Committee's view and comments are sought on the items listed in Appendix C to be put forward to Cabinet at its meeting on 6 December 2012.

Background

- 1 In December 2010 Members approved a balanced 10-year budget to 2020/21 and a four year savings plan incorporating £4.2million of savings to the end of 2014/15. The savings plan included 63 items and some of those contained significant areas of risk. In February 2012 Members approved an updated balanced 10-year budget to 2021/22.
- 2 The Financial Prospects and Budget Strategy 2013/14 and Beyond report has been presented to Cabinet and Performance and Governance Committee to start the budget setting process for 2013/14.

Introduction

- 3 This report presents members with the following documents relating to the budget for 2013/14:

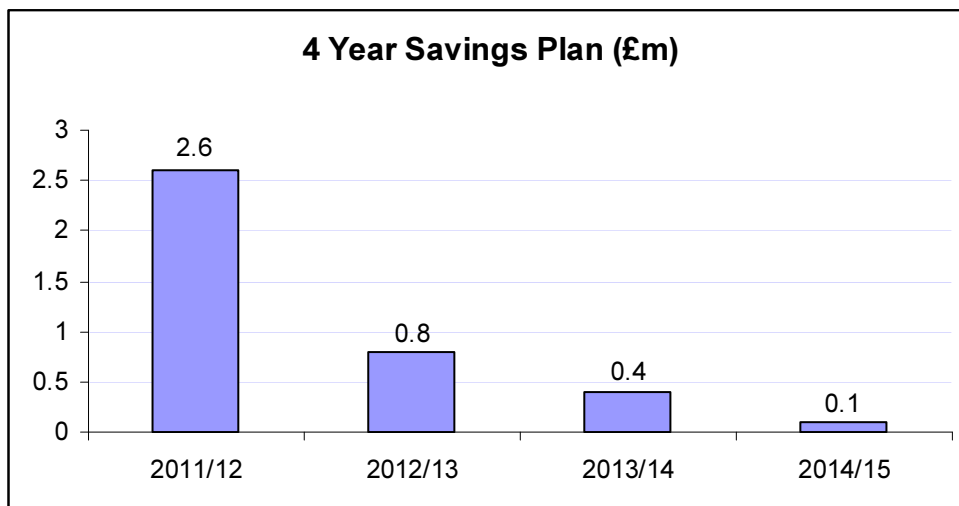
- Summary of Service Plans (Appendix A);
- The Council's agreed 4 year savings plan (Appendix B);
- Summary of changes to 4 year savings plan and new growth and savings items. (Appendix C);
- Service Change Impact Assessment forms (SCIAs) (Appendix D).

Summary of Service Plans

- 4 On an annual basis, Managers of each of the Council's services set out their objectives for the coming year within their Service Plans. The Service Plans, and the objectives Managers set, form the basis for decisions about performance indicators to be used to measure progress and an assessment of the operational risks that may prevent objectives being achieved. Service Plans are directly aligned to the Council's priorities and the resources available to deliver the service.
- 5 Appendix A is a summary of Service Plans. These include only those services directly relevant to this Select Committee.

4 Year Savings Plan

- 6 Appendix B to this report sets out the 4 year savings plan, approved by Council in December 2010, which is allowing the Council to deliver a 10 year balanced budget. The savings plan requires a total of £3.9 million to be saved between 2011/12 and 2014/15. The proportion of those savings required in each year are set out below.



Further savings of £0.3m are now scheduled to be saved in later years as agreed by Council on 18 October 2011.

- 8 Several items in the 4 year plan are now considered to be at risk. The items, which are shaded on the updated 4 year savings plan at Appendix B, total £115k in 2013/14 and £50k in 2014/15. Managers have provided additional

information explaining why the savings items are unlikely to be achieved and the potential impact on services. This information is appended to copies of existing Service Change Impact Assessments (SCIA) for the services where the budget saving is now identified as at risk and these are included in Appendix D. The original SCIA assessments were submitted to Select Committees in November 2010.

Proposed Growth Items

- 9 Growth items are items that are in addition to non-service issues and risks, such as grant settlements, impacts of economic change and other pressures highlighted in the Financial Prospect report considered by Cabinet on 13 September 2012.
- 10 For 2013/14 the identified service pressures giving rise to growth items total £130k, and comprise:
 - Environment Select -£110k
 - Social Affairs Select - nil
 - Services Select - £20k
- 11 Officers have assessed the potential impact on services of these unavoidable growth items and their SCIA's are included in Appendix D.

Proposed Savings Items

- 12 Officers have suggested some savings, totalling £185k (£155k in 2013/14; £30k in 2014/15), that would compensate for some of the identified pressures. SCIA's are included within Appendix D giving further information on these savings.

Financial Summary

- 13 Some items within the 4 year plan are now expected to be more difficult to achieve than was expected when the original plan was agreed. Further, due to economic consequences some unavoidable budget pressures have arisen and these need to be considered as growth items for 2013/14 onwards.
- 14 Some new savings have been identified to mitigate the effect on future budgets.
- 15 The summary at Appendix C identifies the costs of newly identified pressures from the 4 year Plan, and current budgetary pressures. This gives Members an indication of the financial challenges being addressed by officers within the existing budget framework.
- 16 Views of the Select Committees on the proposed growth items identified in these documents, and explained in more detail in Appendix D, will be considered by Cabinet at its meeting on 6 December 2012.

- 17 Recent announcements by central government concerning council tax freeze and capping of increases, together with the impact of change to the regime for general government grant may result in the need for additional savings, but the implications of these changes are not yet known. It is possible that Select Committees may have to re-address service budgets for 2013/14 when information about government funding becomes more clear. Details are not expected to be available until late in December 2012.

Key Implications

Financial

- 18 All financial implications are included elsewhere in the report.

Community Impact and Outcomes

- 19 The SCIA's set out the potential impact on the community of variations to the agreed budget.

Legal, Human Rights etc

- 20 There are no legal or human rights implications.

Equality Impacts

21

| Consideration of impacts under the Public Sector Equality Duty: | | |
|---|--------|--|
| Question | Answer | Explanation / Evidence |
| a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community? | Yes | Equalities assessments are included in the SCIA's in Appendix D. |
| b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity? | No | |
| c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above? | | |

Conclusions

- 22 Members' consideration and scrutiny of the relevant services is an essential and key element in the business and financial planning process. Any costs agreed

which are outside the existing Financial Plan will require additional savings, and subsequent service changes, to ensure a balanced budget position.

Risk Assessment Statement

- 23 For the effective management of our resources and in order to achieve a sustainable budget it is essential that all service cost changes and risks are identified and considered.
- 24 Major service financial risks are included in the Service Plans, risk analysis and SCIA's. Financial risks will be reviewed again when the Cabinet publishes its proposals for the annual budget.

Appendices

Appendix A – Summary of Service Plans

Appendix B – The Council's agreed 4-year savings plan

Appendix C – Summary of Changes to 4 year plan and new Growth and Savings items

Appendix D – Service Change Impact Assessment forms (SCIA's)

Background Papers:

Report to Council 21 February 2012 – Item 5b – Revenue Budget & Council Tax 2012/13

Report to Cabinet 13 September 2012 – Item 6 – Financial Prospects & Budget Strategy 2012/13 and Beyond

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