



Budget 2014/15

Council Fund Revenue

Corporate Resources Overview & Scrutiny
3rd February 2014
Review of Scrutiny Feedback & Budget Update

Purpose of this session is to:

- » Provide feedback from individual scrutiny committees
- » Respond to the information requests from the Overview & Scrutiny meetings held
- » Identify the current position in balancing the budget
- » Set out those issues still under consideration
- » Invite Overview & Scrutiny members to provide a summary response on the Council Fund budget proposals for Cabinet consideration on 18 February

Content

- » Overview & Scrutiny – meetings held
- » Issues Raised across Committees
- » Specific feedback from Individual Committees
- » Budget Update
- » What are we still working on?
- » Next Steps



Overview & Scrutiny Meetings Held

- » 28th January
 - » Joint Housing and Social & Healthcare
 - » Environment
 - » Corporate Resources (for Corporate Services)

- » 30th January
 - » Lifelong Learning

Member Feedback

- » Updates in today's presentation
- » Follow up answers / supplementary information provided in handouts (a couple to follow)
- » Questions and answers from each Overview & Scrutiny Committee will be included in the report to Cabinet in February



Issues Raised across Committees

- » Investment Strategy
 - » Use of Reserves
 - » Analysis of one-off expenditure
- » VFM deliverability
- » Workforce scaling and transitional risks
- » Above standard inflation



Issues Raised across Committees

- » VFM additional information
 - » Availability
 - » Presentational issues

- » Presentational Aspects
 - » Categorisation of pressures
 - » Use of reserves
 - » Aggregate External Finance



Housing and Social & Health Care

- » Mental Health Costs
- » Out of County Placements & Foster Care
- » Youth Justice Service
- » Estuary Crafts
- » Management cost reductions

Environment

- » Waste Issues (Residual and Clinical)
- » Fleet Review
- » Planning Fees
- » Public Protection – Charging
- » Depots

Lifelong Learning

- » Clarification of School Funding expectation
- » Youth Service Provision
- » Leisure Services
- » Library Service
- » Inclusion Service
- » Music Service



Corporate Resources

- » Council Tax Collection Rate
- » Impact of Actuarial Review
- » Single Status impact on budget
- » Occupational Health
- » Achievement of efficiencies

Budget Update

» Projected Gap - Jan Report	£0.915m
» Review of Emerging Month 8 position	(£0.205m)
» Specific Grants Adjustment	(£0.170m)
» Budget Gap Remaining	£0.540m

Issues still under consideration to achieve a balanced budget

- » Potential for further efficiencies
 - » Value for Money: procurement and back to basics
 - » Workforce: costs of employment

- » Council Tax level

- » Ongoing review of budget assumptions and intelligence

- » Ongoing assessment of risk and assurance

Investment Strategy

- » Distinct from balancing the base budget
- » One-off money to achieve the efficiencies in the base budget :
 - » Up front costs – e.g. cost of reducing workforce numbers, investment in technology
 - » Bridging finance – recognising the timing of the implementation of change in the first year
- » Base Budget and Investment Strategy are both essential to enabling change and need to go hand in hand

Investment Strategy

	£m
Funding	
Contingency Reserve (draft M8)	3.700
Single Status / Equal Pay	3.750
	7.450
Investment Costs	
Workforce and VFM	4.800
Bridging	1.450
	6.250
Balance	1.200
Review of Reserves & Balances	3.100

Investment Strategy

- » Investment costs are fully funded
- » Reserves & balances identified:
 - » mitigates any risk from equal pay capitalisation not being finalised until after budget set
 - » enables the planned budget contribution of £1.580m for organisational change costs in 2014/15 not to be needed and so reduces the budget gap for the year
- » Investment funding will be required for:
 - » Contingency against in-year pressures – demand levels, new issues arising, timing of delivery of the change plan
 - » In year & future years implementation of a rolling programme of organisational change as the pressure on budgets continues

Next Steps

- » Cabinet 18th February
 - » Final proposals
 - » Report finalised 13th February
- » Council 18th February
 - » Cabinet proposed budget
 - » Council Tax for 2014/15



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Discussion



Budget 2014/15

Assets and the Capital Programme

Corporate Resources Overview & Scrutiny Committee
3rd February 2014

Purpose of the meeting:

- » Context for setting the 2014/15 Capital Programme
- » Funding available for the Capital Programme
- » Core Programme – what is it for?
- » New pressures
- » Allocating the core programme
- » Next steps
- » Invite Overview & Scrutiny members to provide a summary response on the Capital Programme proposals for Cabinet consideration on 18 February

Capital Programme Context

- » A review of capital assets and how / where services are delivered from is crucial to prioritising, aligning resources and achieving value for money longer term
- » Preliminary work is in place to build up information about our assets ready for detailed member consideration and public engagement from the spring
- » This will facilitate greater integration of service and financial planning for revenue & capital in the future through integrated strategies
- » For now, we need to set the “core” capital programme for 2014/15 and have an overview of estimated total investment from all funding streams (including external)

Funding the Capital Programme

- » Core capital programme resourced by:
 - » General Capital Grant and supported borrowing (as notified in the revenue settlement)
 - » Capital Receipts from sale of assets in accordance with disposals programme
- » Specific grants for purposes directed by WG or other grant providers
- » WG supported borrowing through the Local Government Borrowing Initiative (LGBI) for highways and 21st Century Schools (WG element)
- » Locally determined unsupported (prudential) borrowing met from the revenue budget without support from WG

Capital Programme - Funding



ESTIMATED AVAILABLE TOTAL FUNDING 2014/15 - 2017/18

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Funding (Total)					
<u>General Funding</u>					
Unhypothecated Supported Borrowing (USB) ¹	4.299	4.299	4.299	4.299	17.196
General Capital Grant (GCG) ¹	2.616	2.616	2.616	2.616	10.464
Capital Receipts	1.250	1.250	1.250	1.250	5.000
(Shortfall) / Surplus from 2013/14	(0.762)				(0.762)
Sub Total	7.403	8.165	8.165	8.165	31.898
<u>Specific Funding</u>					
Specific Capital Grants	5.275	0.747	0.576		6.598
Unsupported (Prudential) Borrowing	1.960	21.558	4.043	0.504	28.065
Local Govt Borrowing Initiative - Highways	2.700				2.700
Local Govt Borrowing Initiative - 21st C Schools	3.635	22.698	5.263	0.504	32.100
Sub Total	13.570	45.003	9.882	1.008	69.463
Total Funding Available	20.973	53.168	18.047	9.173	101.361

¹ As per 14/15 Final Settlement.

Core Capital Programme

- » Supports key services e.g. School Maintenance, Private Sector Housing Renewal, Disabled Facilities Grants, Highway Maintenance, Land Drainage
- » Supports investment which enables change and modernisation e.g. Flintshire Connects, ICT networks & facilities, energy efficiency
- » Provides funding for property related cost e.g. DDA, H&S, Fire Alarms

Capital Receipts & Core Programme

- » Certainty difficult to predict
- » Prudent approach proposed 2014/15 & future
- » Moves away from “catch up” position of last few years
- » £1.25m projected for 2014/15 as a confident projection
- » Same level assumed for future years (any additional amounts added to following years programme)
- » Risk based approach identified two essential schemes (health & safety and contractual)
- » Core allocations reduced from indicative amounts last year using a risk assessed approach

Allocating the Core Programme

- » Total funding available £7.403m
- » Identify new urgent capital needs, restricted to Health & Safety and Contractual matters only
- » 2 schemes identified totalling £0.145m
- » £7.258m remaining for Core Programme
- » Allocated by an in depth review of core allocations by Heads of Service to recognise statutory/contractual obligations and risks inherent in funding reductions

Core Capital Programme - Allocation

	2014/15 £m
Community Services	1.885
Environment	2.345
Lifelong learning	2.035
Corporate Services	1.135
Headroom	0.003
TOTAL	7.403

Next Steps

- » Overview and Scrutiny feedback
- » Individual member clarification
- » Group requests for information
 - » Chief Executive and Head of Finance
- » Final Budget Proposals considered 18th February
 - » Cabinet
 - » County Council



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Assets and the Capital Programme

Discussion