

## **BUDGET PLANNING REPORT FOR PLANNING ENVIRONMENT & COMMUNITY SERVICES 2013/14**

**Contact Officer: Andy Evans**  
**Telephone: 01895 250994**

### **REASON FOR ITEM**

This is the first opportunity for the Policy Overview Committee to discuss the current stage of development of budget planning work with regard to Planning Environment & Community services. Within the context of the Council's overall financial position, this paper sets out the main financial issues facing the Group's services and the work being undertaken to respond to them. This paper gives a strategic context in which the detailed proposals to be discussed at Policy Overview Committee meetings in January 2013 will need to be considered. *(Please note the budget proposals for the Education service are reported through the Education & Children's Services Policy Overview Committee and are therefore excluded from any figures or commentary in this report).*

### **OPTIONS AVAILABLE TO THE COMMITTEE**

It is recommended that the Committee notes the development of the financial planning process undertaken to date, and comments as appropriate on the response to the issues being developed by the Group.

### **INFORMATION**

- 1 This is the first of two opportunities within the planning cycle for the Policy Overview Committee to consider issues relating to budget planning for 2013/14. The focus of this report is the major issues that have been identified through the service and financial planning process for Planning Environment & Community services Services. The report to be considered in January 2013 will set out the detailed budget proposals for the Group, those proposals having been included in the report to Cabinet on the Medium Term Financial Forecast (MTFF) on 20 December 2012.

### **Corporate Summary**

- 2 While the focus of the discussion for the Policy Overview Committee should be the specific services within its remit, it is important that this discussion is conducted in the context of the overall corporate financial position.
- 3 The Comprehensive Spending Review 2010 set out the financial challenge facing local government over the following four year period and cuts were heavily front loaded in the first two years. However, it has since become apparent that the

---

PART 1 – MEMBERS, PUBLIC AND PRESS

estimates on which the CSR was based were over optimistic and it is now highly likely that the period of austerity will continue for a significantly longer period. The budget report to Council in February 2012 identified the savings requirement for 2013/14 as £12.1m and work is currently underway to refresh this figure. However, the new two year local government settlement is not due to be published until late autumn and so the final funding position will not be clarified until then.

- 4 In addition, there is significant other uncertainty within the budget for next year:
  - the responsibility of public health is being transferred to local government on 1 April 2013;
  - council tax benefit is being abolished from 1 April 2013 and is being replaced with a new local support scheme with an immediate 10% cut in funding;
  - a reform of education funding is also in progress due to be implemented from 1 April 2013; and
  - the allocation of local government funding is being reformed through the business rates retention scheme.
- 5 Alongside this, any emerging pressures which arise throughout this financial year which will have to be provided for in next year's budget. The budget gap will be monitored throughout the year and the budget strategy adjusted accordingly to ensure that a balanced budget for 2012/13 can be set.

### **Strategy to deal with the budget gap**

- 6 The Council is strongly placed to deal with the challenges ahead. We have a good track record of coming in or under budget each year and have accumulated balances of £23.3m by the end of 2011/12. We have a well established HIP programme that has helped steer the Council from a position of having low balances to one of having healthy balances at the same time as dealing with significant external challenges. This has been enhanced by the development of the BID programme as the main vehicle for delivering the fundamental changes required to the Council's structure and ways of working in order to address the reductions in funding going forward.

### **MTFF process update**

- 7 The timetable for the budget process was refreshed earlier this year. The first MTFF sessions with Groups took place during late June and early July to review the detailed budget proposals developed by each group. Progress on the development and delivery of these proposals will be monitored monthly by CMT and the Leader of the Council throughout the remainder of the year.

## Timetable for 2012/13 Budget

8 The broad timetable is as follows:

Process	Timetable
Monthly BTB updates (March 12 to Feb 13)	Monthly
Monthly Leader MTFE updates (March 12 to Feb 13)	Monthly
MTFE Reviews (1) Initial Scoping sessions with Heads of Finance and Transformation Manager	March
Initial Scoping meeting with Leader	May/June
MTFE BID Proposals – Firm up plans on cross cutting BID Initiatives	May/June
MTFE Review (2) – 1st Challenge Session	June / July
Initial Draft MTFE Report to Leader	End July
POC Reviews – Context of 2013/14 Budgets	July
MTFE Review (3) – 2 <sup>nd</sup> Challenge Session	September
Second Draft MTFE Report to Leader	Early October
Joint CMT and Cabinet Awayday	October
Draft Local Government Finance Settlement	November/December
Draft MTFE reported to Cabinet	December
POC review of draft Group Plans and budget proposals	January
Council Tax setting	February

## Budget Planning in Planning Environment & Community Services

### Summary of Key Financial Issues

- 9 Planning Environment & Community Services have identified significant budget savings for 2012/13 totalling £3.487 million (out of a total of £7.653 million for the combined Planning Environment Education & Community Services (PEECS) Directorate). These include efficiency savings from reviews of Technical Admin & Business Support, ICT, Applications Processing and Risk Based Assessments across the Group. A number of proposals concern additional income; these include the New Homes Bonus grant, Highways London Permit scheme and Trade Waste charges.
- 10 The 2013/14 MTFE proposals will focus on developing a number of existing workstreams, and identifying any new opportunities for savings and efficiencies that are emerging from the work undertaken through the Council's now well established HIP and BID processes. Examples of these include the 2<sup>nd</sup> phase of the Technical Support review, ICT modernisation and Group-wide contract review. The emphasis continues to be on generating savings through service improvement based on process efficiency, use of technology and consolidation of provision.

- 11 It is anticipated that there will be limited opportunities for significant further income generation from fee-based services within the Group given the challenging economic climate and that any increases would fall upon residents and businesses. However, where applicable the level of non-residential charges will be kept under review and any opportunities for additional grant income will be pursued, where these are aligned to council objectives.
- 12 Alongside the development of further savings proposals the Group continues to review all contract-related and discretionary spend, within a robust process for controlling and challenging expenditure decisions.

### **Next Steps**

- 13 The Medium Term Financial Forecast setting out the draft revenue budget and capital programme will be considered by Cabinet on 20 December 2012 and issued for consultation during the remainder of December 2012 and January 2013. This will include detailed consideration by each of the Policy Overview Committees of the proposals relating to their respective services.

### **SUGGESTED COMMITTEE ACTIVITY**

*To be written by the O&S Team*

### **BACKGROUND PAPERS**

The Council's Budget: General Fund Revenue Budget and Capital Programme 2012/13 – reports to Cabinet 16 February 2012 and Council 23 February 2012.