

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO EACH MEMBER OF THE
EXECUTIVE**

23 December 2010

Dear Councillor

EXECUTIVE - Tuesday 11 January 2011

Please find attached the following report for the above meeting that that was marked as being circulated separately on the main Agenda:-

Item No 7 Draft Budget (Medium Term Financial Plan 2011/12 to 2013/14)

To consider the draft budget proposals for 2011/12 to 2013/14.

Should you have any queries regarding the above please contact Devina Lester, Senior Democratic Services Officer on Tel: 0300 300 6258.

Yours sincerely

Devina Lester
Senior Democratic Services Officer
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Meeting: Executive
Date: 11 January 2011
Subject: Draft Budget (Medium Term Financial Plan 2011/12 to 2013/14)
Report of: Cllr Maurice Jones, Portfolio Holder for People, Finance and Governance
Summary: The report sets out the draft budget proposals for 2011/12 to 2013/14 based on the most up to date information on the Council's future resources, at this time.

Advising Officer: Richard Ellis, Director of Customer and Shared Service
Contact Officer: Matt Bowmer, Assistant Director Financial Services
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) Not applicable

CORPORATE IMPLICATIONS

Council Priorities:

The report sets out proposals designed to help the Council respond to the financial challenges facing the public sector as a whole but, at the same time, enable it to deliver to its priorities.

Financial:

Set out in the report.

Legal:

The Local Government Finance Act 1992 stipulates that the Council must set an amount of council tax payable for the financial year 2011/12 by 11 March 2011.

Before calculating the level of council tax payable, the Council must consult representatives of non-domestic ratepayers in its area.

The Council's Constitution requires the Executive to publish a timetable for making proposals to the Council in respect of the budget.

The proposals outlined in the report will result in some employees being made redundant. The Council is required to undertake consultation with appropriate representatives of the employees who are affected by the proposals. This consultation commenced in November with the issue of the formal S188 notice. If necessary a S188 may be required in response to any changes in employee terms and conditions.

Risk Management:

Proposed budget reductions of this kind present key risks to the Council:

- Demand: The wider impact of the current economic climate on local residents is placing further demands on the Council's services, at a time when the Council needs to reduce spending due to constraints on public expenditure.
- Reputation: If stakeholder engagement is not managed effectively, the need for the Council to take difficult decisions in response to the contraction of public expenditure will not be understood.
- Delivery: The delivery of the agreed savings proposals will need to be effectively managed to ensure they are realised in practice.
- Priorities & Outcomes: The Council needs to ensure that its spending decisions reflect its priorities and the outcomes it wishes to secure on behalf of its residents.

Staffing (including Trades Unions):

The staffing implications are set out in the report.

Equalities/Human Rights:

In developing the Draft Budget, the Council has ensured that decisions are made in such a way as to minimise unfairness, and that there is not a disproportionately negative effect on people from different ethnic groups, disabled people, and men and women. Equality Impact Assessments have been undertaken for all savings proposals, where relevant, and the findings will be reported Budget Report to the Executive in February.

Community Safety:

Any potential changes or reductions in budgets may have an impact on the delivery of community safety priorities in the future.

Sustainability:

Key sustainability agenda, such as climate change, represent opportunities for the Council to make efficiency savings by decreasing energy use and the total spend on energy, for 2008/09 this was £3.4 million (including schools). Failure to take action leaves the Council vulnerable to the impact of increasing energy prices.

Summary of Overview and Scrutiny Comments:

- The Customer & Central Services Overview and Scrutiny Committee will consider the Draft Budget at their meeting on 17 January 2011. In the meantime, comments are being collated from the Overview and Scrutiny Committees which have considered published savings proposals and also the review of the base budget)

RECOMMENDATION(S):

that the Executive

- (a) agrees the draft budget proposals for 2011/12 as the basis for consultation with Overview and Scrutiny and other interested parties.**

Reason for Recommendation(s): To enable consultation to take place on the draft budget proposals for 2011/12.

Executive Summary

The report sets out the Draft Budget for Central Bedfordshire for 2011/12 taking into account the most up to date information on the resources likely to be available. This may change as the implications of the consultation version of the Local Government Finance Settlement are analysed in detail.

The key elements of the proposals are:

- Council Tax frozen for 2011/12 and harmonisation of rates across the Authority by 2013/14;
- Full allowance for pressures identified through the monitoring of the 2010/11 budget performance to create a solid foundation for management of the Council's resources going forward;
- Allowance for demographic pressures in Adult Social Care, increased safeguarding referrals and continued increases in land fill tax and
- A series of savings taking account of the Government's policy agenda, including its focus on reducing the national budget deficit.

The focus of attention has been on 2011/12 with the front loading of reductions in the Spending Review. Consequently, some of the savings proposals previously planned for 2012/13 and 2013/14 have had to be brought forward to the first year of the Medium Term Financial Plan.

INTRODUCTION

1. This report sets out the Council's draft Budget for 2011/12 and updates the Medium Term Financial Plan (MTFP) 2010/11 to 2014/15 agreed by Council at its meeting on 9 February 2009.
2. Included in the report is an update on the current economic position and the specific impacts on local government funding at this time, especially as a consequence of the Spending Review announcement in October and the more detailed provisions of the Draft Local Government Finance Settlement in December. This, along with the budget monitoring information for 2010/11, will inform the actions required to take the Council forward. These actions will naturally be guided by the priorities of the Council.
3. The report also sets out the proposed processes and timetable for consideration of the budget and MTFP, leading up to their approval at Council on 24 February 2011.

POLICY

4. The Council's constitution and related financial procedures set out the process for budget setting. In addition, the Council is required to undertake a public consultation exercise on its budget proposals.

BACKGROUND

5. There has been a significant change to the policy framework in which local government operates, following the formation of the Coalition Government in May 2010.
6. The key elements of the new policy agenda, including the prime objective of addressing the national deficit, were set out in the Corporate Budget Strategy considered by the Executive at its meeting on 2 November and subsequently updated at the December Executive meeting. These include:
 - radical reform, a stronger society, a smaller state and power and responsibility in the hands of every citizen;
 - the abolition of the Comprehensive Area Assessment and the Audit Commission;
 - the Localism Bill to promote the devolution of power and greater financial autonomy to local government and community groups;
 - the promotion of the Big Society to encourage social responsibility, volunteering and philanthropy;
 - the reform of education, to include enabling schools to become academies and the establishment of free schools; and
 - significant changes planned for the National Health Service, including the transfer of responsibility for Public Health to local authorities
7. The Spending Review on 20 October announced reductions to local government funding which were marginally greater than those trailed in the Emergency Budget in June 2010 but more crucially front loaded to the first two years of the review period. In this time of great change, there has been a need for greater clarity of the specific implications for each authority. This always follows in the shape of the Local Government Finance Settlement which typically has been received in late November in recent years. For 2011/12 to 2014/15 it was finally issued on 13 December and officers are currently assessing the full impact. It should be noted that the Settlement is subject to consultation and could yet change.

ISSUES

8. The policy approach, organisational values and financial management processes adopted by the Council during its first two years of operation will continue to drive the strategic response which will be characterised by rigour, responsibility and realism. The policies outlined in the 2 November Budget Strategy Report will be followed including:
 - Getting the Basics Right – Base Budget Review
 - Driving Efficiencies
 - Collaboration and Partnership
 - Empowering Individuals and Communities
 - Protecting the truly vulnerable

COUNCIL PRIORITIES

9. At this time of financial constraint, it more important than ever that the Council is clear about the outcomes it wants to achieve.
10. The following outcomes were endorsed by the Executive on 2 November:

Supporting and caring for an ageing population

1. Truly vulnerable adults are safeguarded
2. Residents are enabled to make appropriate choices to meet their own needs and the 'market' is stimulated to respond to those needs where appropriate.

Educating, protecting and providing opportunities for children and young people

3. Educational attainment is raised
4. Truly vulnerable children are protected

Managing growth effectively

5. Housing growth is complemented by growth of businesses and jobs
6. A suitable mix/quality of housing is available to meet the needs of current and future communities

Creating safer communities

7. The area remains a safe one
8. The area is kept clean (but with increased emphasis on self help)

Promoting healthier lifestyles

Residents are enabled to lead healthier lifestyles.

CURRENT ECONOMIC OUTLOOK

11. The economy has continued to grow after moving slowly out of recession in the final quarter of 2009/10. The recovery is still weak, however, and whilst there is generally a reduced expectation of a 'double dip' recession, forecasts of growth are still conservative. The latest Bank of England forecast which has input from a number of economic commentators is anticipating growth of the order of 2% in 2011/12.

Table 1

	%
Qtr 4 Dec 2009	0.4
Qtr 1 Mar 2010	0.4
Qtr 2 Jun 2010	1.2
Qtr 3 Sep 2010	0.8

12. The Bank of England has revised its forecast for CPI (Consumer Price Index), the official measure of inflation, in recent months. It is currently at 3.2% (October) having been consistently at 3.1% for a number of months. It will rise in January with the increase in VAT, with the forecast being a drop to 2% by the third quarter of 2011. The Retail Price Index (RPI) which arguably has a greater impact on Council spend is declining since peaking at 5% in June. The expectation is also for a further decline during 2011.

13. The Basic Interest Rate continues to hold at its historically low level of 0.5%. The mid line forecast is for it to hold at this level until the second quarter of 2011 when it will start to rise. The rise is anticipated to be gradual though up to 1.25% at the end of the first quarter of 2012. This naturally continues to impact on the returns earned by the Council on its investments.
14. Unemployment peaked at 2.51 million in March. Recovery though has been very sluggish alongside the overall growth in the economy and at the end of September, was still 2.48 million. Further, the majority of new jobs continue to be part time so the increased benefit caseload has not eased. The overall outlook is not good with the Government spending cuts expected to bite over the next six to twelve months.
15. Property Prices continue to be uncertain. There has been no consistent pick up in prices since the end of the recession and recently forecasts from major building societies are for a marginal decline over the forthcoming months. This of course has an impact on the council's Capital Programme and the potential to fund capital investment through capital receipts.

BUDGET OBJECTIVES

16. The clear message is that budget setting and medium term financial planning will be tough not just in the current year but in years to come and it is important that there is a clear sense of the outcomes to be achieved. It is suggested that the following financial objectives may be of help in guiding budget discussions:
 1. A sustainable medium term financial plan that allows the achievement of the Council's key outcomes;
 2. Realistic levels of year on year spending which are supportable via annual income streams and do not require the use of general reserves to support recurring expenditure; and
 3. General reserves maintained at all times at or above the agreed minimum level.

UPDATED MEDIUM TERM FINANCIAL PLAN

17. Table 2 below sets out the funding and spending proposals for 2011/12, based on the most up to date information at this time. The savings proposals currently out for consultation would broadly cover the funding reductions and service pressures. A more detailed position is set out in Appendix A.

Table 2

	Assumptions	Budget £M
<u>Funding</u>		
Formula Grant		-45.237
Council Tax	Frozen for 2011/12	-131.375
New Homes Bonus		-1.250
		- 177.862
<u>Spending</u>		
<u>Base Spend</u>		
2010/11 Base Budget		175.521
Base Budget Build	Budget to reflect actual activity	7.293
Revised 2010/11 Base Budget		182.814
<u>Inflation</u>		
Pay and Prices	Nil for pay, 2% for prices other than a freeze on supplies and services	3.214
Income	5% or greater dependant on specific proposals	-1.579
		1.635
Specific Grant reductions		8.586
Pressures		4.430
Saving Proposals		-19.401
Initial 2011/12 Net Expenditure Budget		178.064

FUNDING

Formula Grant

18. This is the key element of the 2011/12 Local Government Finance Settlement. For presentational purposes, a 10.7% reduction has been applied to the 2010/11 allocation
19. In practice the number of grant streams received by the Council through specific grants and Area Based Grant (ABG) will reduce to ten of which only two will be ring fenced. The remainder will be transferred into Formula Grant.
20. The position is further complicated by the need for Government to protect individual authorities from significant fluctuations. A series of floors and ceilings are in place on a transitional basis.

Council Tax

21. It is proposed that Council Tax is frozen for 2011/12, year one of the Medium Term Financial Plan. It was initially considered that this policy would have an adverse impact on resources but the Spending Review provided for a mechanism to compensate local authorities who do not increase Council Tax for the full review period.

22. The compensation arrangements do not address harmonisation of Council Tax rates in Central Bedfordshire. To harmonise rates alongside the Council Tax freeze would require a reduction in the Council Tax for residents in the south of the authority and a £1.6M loss of resource which is unrealistic in the context of service reductions.
23. There is, however, a commitment for Central Bedfordshire to harmonise Council Tax rates by 2013/14. The plan is to do this on a phased basis.
24. Whilst the proposals is to freeze Council Tax for next year, receipts will nevertheless increase as a consequence of the tax base rises due to new homes being built and the harmonisation of the Empty Homes Policy agreed by the Executive in November 2010.

New Homes Bonus

25. The Council does benefit from the introduction of a new funding stream which effectively replaces the former Housing & Planning Delivery Grant.
26. Further details are awaited about this grant but the current understanding is that Central Bedfordshire will receive the equivalent of the average Council Tax nationally for each additional new home. It is anticipated that this will be based on changes in the tax base.

SPENDING

Base Budget Build

27. A comprehensive review of the base budget has been undertaken for 2010/11 which provides greater assurance for the future. The review was based on budget monitoring at the half year, as well as a review of the alignment between the budget and activity.
28. This identified that £7.293M is required to predominantly address in year pressures in Adult Social Care and Children's safeguarding. The full details of the review were presented to the December cycle of Overview & Scrutiny Committees and a summary at Assistant Director level is included in Appendix B

Inflation

29. The Budget Strategy sets out the parameters for inflation on pay and prices for 2011/12.
30. The assumption is that there will be a pay freeze and consequently there is nil allowance for pay.
31. In general, there is a 2% allowance for uplift in prices. This is with the exception of supplies and services for which there is no allowance. With CPI currently at 3.1% and RPI at 4.6% this will put pressure on budgets. The Chief Executive has written to all of the Authority's main suppliers requesting restraint on the annual indexation of contracts.
32. There has been a fundamental review of fees and charges for 2011/12. In order to generate more income, there has been a general instruction to increase fees and charges by 5%. There are also specific proposals on some fees and charges which have been put forward as savings proposals and PwC have been working with the Council on Revenue Income Optimisation. These issues are all covered in greater detail in the Fees and Charges Report, also on this Executive agenda.

Grant Reductions

33. Reductions to Specific Grants and Area Based Grants have been assumed at 10.7%. A clear picture will not be possible until officers have finished analysing the details of the draft Local Government Finance Settlement announced on 13 December 2011.
34. The number of Specific Grants and ABG have been reduced significantly. There are now only ten and only two of these are ring fenced which gives greater flexibility in the use of the reduced resources.

Pressures

35. As part of the closure of the 2009/10 accounts a new Earmarked Reserves policy was adopted. Consequently, there are some activities which may need to be more accurately funded through base budget provision. The main area of concern is the development of Statutory Plans in Sustainable Communities for which a one off adjustment of £0.200M is required.
36. The long term increases in Landfill Tax are also recognised with the Tax increasing by £8 per tonne year on year.
37. Since the death of Baby Peter in Haringey, Children's Services nationally have noticed a continued upward trend of referrals of children with a view to assessment of their social care needs. In Central Bedfordshire, during 2010/11 this translates to a 30% increase in referrals to the Assessment Teams with a consequent minimum knock on effect for all social care and associated support services. This relates to an additional pressure of at least 10% in all responses to assessments, e.g. Looked After Children, Children in Need, etc. The current assessment of additional need in these categories is a rise of 10% minimum, in 2010/11 and possibly ongoing in future years. An additional £1M is included in the base; the ongoing commitment will need to be reviewed but the expectation is that it drops out of the Plan in 2013/14.
38. The impact of demography on Adult Social Care was not incorporated into the 2010/11 budget but cannot continue to go unfunded. This adds £0.9M year on year and is over and above the £0.8M required to meet the cost of transitions from Children's to Adult Social Care.
39. There has been a drive to reduce future capital financing costs in the formulation of the 2011/12 Capital Programme. This is considered in greater detail below.
40. The savings proposals below will lead to a reduction in staff numbers. The redundancy costs arising will add to the Council's pressures. The Budget allows for £1m in 2011/12.

Savings Proposals

41. The Council is facing unprecedented funding reductions and has put forward £18.0M of savings for consultation over and above the £1.4m already included in the Medium Term Financial Plan. These have been reviewed by the Overview & Scrutiny Committees in their November and December cycle of meetings. The savings proposals fall into three broad categories:
- Cross Cutting Efficiencies – genuine efficiencies across all services which have no or only a negligible impact on Council Tax Payers and stakeholders;
 - Service efficiencies – genuine efficiencies put forward by services which have no or only a negligible impact on Council Tax Payers and stakeholders;
 - Service Reductions – changes in service provision including in response to national policy which may impact on service users.

Table 3 below gives a high level summary of the proposals.

Table 3

	Efficiencies	Service Reductions	Total
	£M	£M	£M
Cross Cutting	5,147	0	5,147
Social Care Health & Housing	2,125	1,700	3,825
Children's Services	1,545	2,285	3,830
Sustainable Communities	1,085	2,187	3,272
Customer & Shared Services	895	348	1,243
Office of the Chief Executive	530	151	681
Total	11,327	6,671	17,998

Cross cutting efficiencies

42. Council Policy has been to protect the front line and deliver efficiencies in the Authority's overhead costs in the first instance. Appendix B summarises the £5.147M of Cross Cutting Efficiencies. The full detail of each of these proposals was set out in the Corporate Budget Strategy and Corporate Budget Strategy Update to the Executive in November and December respectively.

43. The proposals here are focussed on the following eight themes:
- Revenue Income Optimisation (RIO);
 - Procurement;
 - Passenger Transport Review;
 - Customer Management (including Web Strategy);
 - Energy Efficiency;
 - Total Place initially access to benefits); and
 - Employee Terms and Conditions of Pay.
 - Medium Term Accommodation Plan

Service efficiencies and reductions

44. Appendix C summarises the £6.180M of Service Efficiencies and £6.671M of Service Reductions. The full detail of each of these proposals was set out in the Corporate Budget Strategy and Corporate Budget Strategy Update to the Executive in November and December respectively. These savings proposals represent Authority's strategic response to Government policy and is detailed in the following paragraphs for each of the directorates

Social Care Health & Housing

45. The care sector will change and better outcomes will result from personal choices over how a person's individual needs are best met. The modernisation of services is predicated on moving "spend" from institutional care to more local solutions, and to personal budgets. Resources will be used more efficiently, to explicitly achieve what people themselves want. In this way, the Council is able to Transform People's Lives.
46. Whole system change is envisaged for adult social care, which will necessitate significant change to the social care workforce. The change is contingent upon improvement in professional practice being sustained and reflected in better Safeguarding practice. The focus is to complete the Recovery Programme for Adult Social Care, in order to strengthen the Council's capacity to manage the scale of change that is envisaged through modernisation and market shaping.
47. To achieve comprehensive change, the Council and Health partners will need to: invest in prevention; maximise the far reaching potential of people making a voluntary contribution and of services across a broad ranging activity such as Housing, Leisure and Transport; to yield added benefits as a result of re-alignment; and by thinking differently and having a different approach.
48. For the Housing Service, the main drivers are homelessness prevention and harmonisation of the Housing Needs service currently provided by Aragon and directly by the Council in different parts of the area. For the Landlord role, it is also necessary to examine the Government's detailed proposals for Self Financing to determine a future for the stock that accords with the Council's strategic objectives.

Children's Services

49. The Council will reshape its Children's Services in the light of the emergent national agenda which is focused on schools becoming increasingly independent. This work will transform our relationship with schools and make that relationship fit for purpose in the future. The direction the Council has set out will align with the Government White Paper, soon to become the Education Bill. Schools may choose to buy back support services from the Council. The services offered will be charged on at full cost recovery basis, except where statutory functions mitigate against this. The relationship with schools will change and the role of the Council will be to focus on raising standards in schools which are performing less well.
50. In its role as the champion of the parent and the child, the Council will support fair access to schools across the area. Along with school governors, the Council will lead a response to the "Big Society" through strategic commissioning and an enhanced community focus.
51. Specialist services for schools and children from the Council will focus increasingly on responding to situations that are the most complex. This will include support to schools who are judged to be performing poorly and support to young people and their parents where their needs are assessed to be such that additional support needs to be provided for them. The thresholds for accessing support will be kept under constant review.
52. There will be a continued focus on protecting children. The Council will continue to provide services to those needing social care. Through the allocation of the early intervention grant, support will be offered where there is an opportunity to intervene early to avoid subsequent problems arising later on. The Council will meet its duty to deliver a Child Poverty Strategy by 1st April 2011.

Sustainable Communities

53. Sustainable Communities is a very diverse directorate comprising a wide range of public facing, mainly statutory services. For 2011/12, the savings proposals are underpinned by a focus on further efficiencies through rationalisation, reducing discretionary services and reducing spend in high performing statutory services.

Customer & Shared Services

54. The primary purpose of the Directorate of Customer and Shared Services is to enable and support the frontline services to deliver their objectives. 'Frontline' services are dependent upon effective support services to achieve their efficiency and transformation objectives. In addition, many of the council-wide efficiencies as set out above will be led by this Directorate.
55. However, this is a relatively new Directorate, which has undergone a number of senior managerial changes, and is still wrestling with many of the issues relating to the transition to the new unitary council. There are also a number of areas where support services are not meeting the requirements or expectations of internal customers, and where performance is inconsistent and unsatisfactory. In order to address this deficit, a Recovery Programme is currently under way which is focussing on critical priority areas for improvement, and is expected to deliver significant improvement in the next 12 months.

56. Whilst the immediate focus is on recovery of the key support service areas, all services will undergo a further review to assess the potential service delivery models that could be adopted in the future. This will consider current levels of competence, the needs of internal customers, potential alternative delivery options and the financial implications of the various alternatives. As part of this process, there may be opportunities to share services with others.

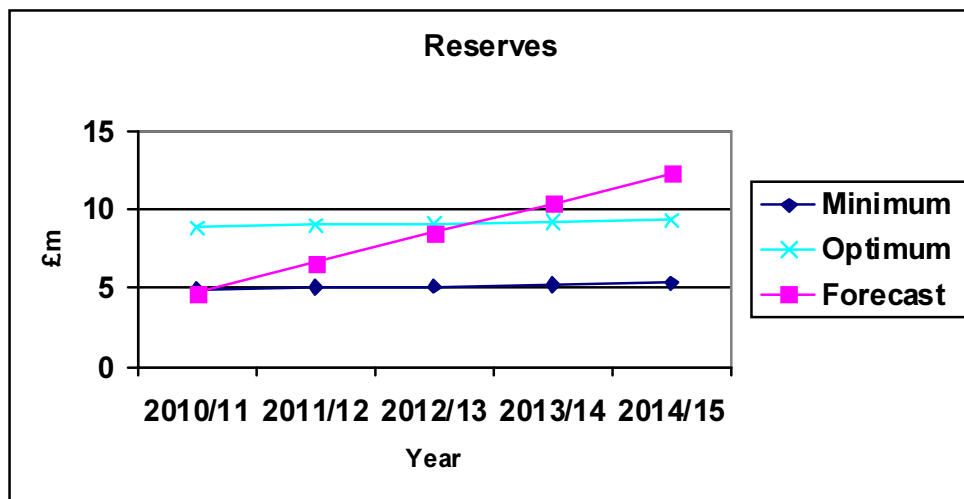
Office of Chief Executive

57. The purpose of the Office of the Chief Executive is to support the Council to develop and implement corporate strategy. The savings proposals are focussed on maintaining this role but at a lower cost. At the same time, the Office is providing support to a review of the scope for greater collaboration across the public sector as a whole in Bedfordshire and Luton.

RESERVES

58. The Council undertook a review of the appropriate level of reserves to hold when it agreed its first budget in February 2009. There were naturally risks associated with the formation of a new Council. Central Bedfordshire is still a relatively new Council and whilst activities such as the Base Budget Build review have given greater assurance on the finances the Council, along with all local authorities in England, Central Bedfordshire now moving into a period of great financial constraint. The need to deliver in the order of £19.4M of savings does create a need to have more in reserve and the level of General Fund Balances will need strengthening above the previously agreed minimum and optimum levels.
59. The report to the Executive in February will provide a re-evaluation of the appropriate level of reserves to be held at this time. The Graph below sets out the current assumptions on the minimum and optimum levels alongside the forecast level.

Graph 1



MEDIUM TERM POSITION

60. The focus of attention has been on 2011/12, given the scale of funding reductions. Nevertheless an assessment has been made of future spending pressures and some provisional savings proposals for 2012/13 and 2013.

61. There remains a sizeable funding gap in 2012/13 and 2013/14. This is in part due to the original proposals for the future years needing to be considered in 2011/12 as a consequence of the front loading of the Government's reductions. Work will need to continue immediately in the new financial year to develop savings proposals to address this gap.

Table 3

	2011/12	2012/13	2013/14	2014/15
	£M	£M	£M	£M
Resources	-177.862	-177.030	-178.747	-178.529
Spend	197.466	188.900	186.568	189.168
Identified Efficiencies	-19.401	-5.196	-2.825	0.000
Gap	0.202	6.676	4.997	10.640

CAPITAL

62. The Capital Programme Report for 2011/12 to 2013/14 is also considered on this Executive agenda. The capital investment decisions have a significant impact on capital financing costs of the authority.
63. The proposed Programme reduces the commitment to increase borrowing year on year which reduces the previously forecast revenue costs. The impact is not yet included in the above proposals.

CONSULTATION

64. There has already been extensive consultation on the proposals contained in this report, primarily through detailed review by the Overview and Scrutiny Committees. The responses, including those from petitions and e-petitions will be considered in the Budget report to the Executive in February.
65. In line with the Big Society, the Council is exploring with other organisations, including Town and Parish Council and the voluntary sector, possible future options for services that are proposed to be reduced or stopped. An engagement plan is being developed to ensure that all possible options are considered.
66. Customer & Central Services Overview & Scrutiny Committee will consider the full funding and spending position at its meeting on 17 January 2011.

TIMETABLE

67. Table 4 below sets out the remaining key dates ahead of Council approval of the Budget in February.

Table 4

11 January 2011	Draft Revenue Budget agreed for consultation
11 January 2011	Treasury Management Strategy reviewed
17 January 2011	Scrutiny of Draft Budget
8 February 2011	Executive recommends budget
24 February 2011	Council agrees budget

Appendices:

Appendix A1 – Medium Term Financial Plan Summary 2011/12 to 2014/15

Appendix A2 - Medium Term Financial Plan Summary 2011/12

Appendix B – Base Budget Build

Appendix C – Cross Cutting Efficiencies

Appendix D – Service Efficiencies and Reductions

Background Papers: (open to public inspection)

None

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Appendix A1

CENTRAL BEDFORDSHIRE COUNCIL - Medium Term Financial Plan 2011/12 - 2014/15

Medium Term Financial Plan	2011/12	2012/13	2013/14	2014/15
<u>Expressed at outturn prices</u>	£000	£000	£000	£000
<u>Formula Grant & Council Tax</u>				
Formula Grant	45,237	42,342	41,961	39,611
Council Tax	132,625	134,688	136,786	138,918
Council Tax Surplus / (Deficit)				
Total resources (Excl. schools DSG)	177,862	177,030	178,747	178,529
<u>Planned Revenue Budget</u>				
Base Revenue Expenditure	378,975	382,895	386,162	392,063
Cost Inflation	3,214	6,563	6,621	6,724
Adjustments	0	0	0	0
Growth	0	0	0	0
Pressures	20,310	8,576	7,101	7,965
Base Income	-203,454	-205,033	-209,134	-213,316
Income Inflation	-1,579	-4,101	-4,183	-4,266
Total planned spending before savings	197,466	188,901	186,568	189,169
Efficiency Savings	-19,401	-5,196	-2,825	0
Efficiency Savings still to be allocated	-202	-6,676	-4,997	-10,640
Total planned spending after Savings	177,862	177,029	178,746	178,529

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CENTRAL BEDFORDSHIRE COUNCIL - Medium Term Financial Plan 2011/12

2011/12									
	Base Revenue Expenditure £000	Cost Inflation £000	Growth £000	Pressures £000	Base Income £000	Base Income Inflation £000	Net Revenue Expenditure Before Savings £000	Efficiency Savings £'000	Net Revenue Expenditure after savings £'000
Formula Grant & Council Tax									
Formula Grant									45,237
Council Tax & New Homes Bonus									132,625
									177,862
									0.7%
Planned Revenue Expenditure									
Customer & Shared Services	88,833	31	0	1,166	-65,490	-348	24,192	-1,594	22,598
Childrens' Services	100,809	465	0	3,395	-68,798	-365	35,506	-3,880	31,626
Office of the Chief Executive	5,167	0	0	74	-497	0	4,744	-681	4,063
Debt Servicing & Other Corporate Costs	21,032	0	0	-135	-2,141	-3	18,753	0	18,753
Social Care, Health & Landlord Services	104,290	1,443	0	3,614	-53,307	-1,206	54,834	-4,466	50,368
Sustainable Communities	60,349	600	0	2,105	-13,221	-359	49,474	-3,633	45,841
Unallocated	-1,505	675	0	10,091	702	702	9,963	-5,147	4,816
Total Planned Expenditure	378,975	3,214	0	20,310	-203,454	-1,579	197,466	-19,401	178,065
								-9.8%	4.4%
Efficiencies Yet to be Identified								-202	-202
TOTAL								-19,604	177,862

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SERVICE AREA	Latest 2010/11 Budget/Base 2011/12		2010/11 Forecast Variance Pressure/Saving		2010/11 Forecast Variance Pressure / Saving		TOTAL PRESSURES / SAVINGS TO TAKE FORWARD	
	Expenditure £000s	Income £000s	Expenditure £000s	Income £000s	Expenditure £000s	Income £000s	Expenditure £000s	Income £000s
	(A)	(B)	(D)	(E)	(D+G=J)	(E+H=K)	(F+I=L)	
	(A+B=C)							
Director of Social Care, Health, Housing Total	221,788	0	18,879	0	18,879	0	0	0
Housing Management (GF) Total	2,378,432	-428,992	196,533	-208,360	-11,827	-94,360	38,287	-56,073
Adult Social Care Total	56,738,041	-13,467,645	3,474,925	-2,574,525	900,400	-1,095,577	3,991,246	2,895,669
Commissioning Total	19,053,986	-14,796,926	-234,894	-139,548	-374,442	1,299,305	-1,854,596	-555,292
Business Systems & Market Strategy Total	2,084,176	-720,238	109,170	-68,036	41,135	34,856	-97,128	-62,272
Social Care Health & Housing TOTAL	80,476,423	-29,413,802	3,564,614	-2,990,469	574,144	12,240	2,209,793	2,222,032
Director of Children Services Total	354,902	-170,173	167,149	-167,176	-27	0	0	0
Childrens Services Operations Total	44,452,266	-24,527,834	4,381,196	-2,485,757	1,895,439	-172,392	3,270,327	3,097,935
Learning & Strategic Commissioning Total	50,460,667	-36,110,059	4,883,954	-5,379,476	-495,523	665,430	-604,093	61,336
Nursery Schools Total	0	1,428,448	121,894	-121,894	1	-1	0	0
Lower Schools Total	0	49,982,780	416,854	0	0	0	0	0
Middle Schools Total	0	38,975,521	714,705	714,705	0	0	0	0
Upper Schools Total	0	49,952,856	-587,119	587,119	0	0	0	0
Special Schools Total	0	8,153,417	-35,837	35,838	0	0	0	-1
Devolved Formula Capital Total	0	0	0	0	0	0	0	0
ISB Funded By DSG / YPLA Total	0	-148,607,134	0	0	0	0	0	114,112
Central DSG / YPLA Total	1,056,904	-2,980,426	-106,565	106,565	0	400,856	-279,247	121,609
Children's Services TOTAL	96,324,739	-63,902,604	8,526,821	-7,126,930	1,399,891	1,008,005	2,386,987	3,394,992
Director of Sustainable Commun	1,391,314	0	-46,587	0	-46,587	0	-120,000	-120,000
Economic Growth, Skills & Regen	8,205,713	-3,063,037	1,210,167	-1,078,244	131,923	-861,087	1,038,849	177,762
Highways Transportation	16,090,109	-4,195,851	298,928	-269,002	29,926	174,291	-172,533	1,758
Planning	12,884,669	-6,139,896	498,100	-518,545	-20,445	952,340	140,360	1,092,700
Comm Safety P/Prot Wast Leisure	24,113,128	-1,969,864	-18,943	-152,896	-171,839	52,196	150,379	202,575
Sustainable Communities TOTAL	62,684,933	-15,368,647	1,941,666	-2,018,688	-77,022	317,740	1,037,055	1,354,795
Director of Customer & Shared Services Total	456,881	0	-75,611	0	-75,611	0	-53,243	-53,243
AD Customer & Systems Total	10,838,748	-1,877,923	701,869	-224,847	477,023	594,938	-322,353	272,585
AD Finance Total	63,289,444	-59,311,777	12,977,849	-12,414,120	563,729	-12,437,087	12,190,559	-246,527
AD People Total	2,597,582	-825,564	283,531	-33,937	249,595	-182,850	730,576	537,276
Governance & Monitoring Officer Total	133,667	0	-49,000	0	0	0	0	0
Head of Legal Services Total	1,557,868	-471,121	44,316	58,863	103,179	58,000	18,352	76,352
AD Governance Monitoring Officer Total	3,440,037	-875,086	-123,748	-141,672	-265,420	-40,104	72,886	32,782
AD Assets Total	8,120,220	-3,831,271	521,269	-104,221	417,048	1,216,607	-626,842	589,765
Customer & Shared Service Total (excl Corporate Costs)	88,742,911	-66,721,622	14,285,160	-12,918,796	1,366,364	-10,848,496	11,991,584	1,132,638

SERVICE AREA	2010/11 BUDGET / BASE 2011/12		
	Latest 2010/11 Budget/Base 2011/12 Expenditure £000s	(B) Income £000s	(A+B=C) Net £000s
Corporate Costs Total	17,278,644	-1,842,007	15,436,637
Non Specific Entitlement Total	4,540,403	0	4,540,403
Corporate Costs Total	21,819,047	-1,842,007	19,977,040
Chief Executive Total	306,569	0	306,569
Communications Total	1,001,210	-25,000	976,210
Strategy & Performance Total	3,525,462	-497,187	3,028,274
Office of The Chief Executive TOTAL	4,833,241	-522,187	4,311,054
GRAND TOTAL	354,881,295	-177,770,869	177,110,425
HRA - Memorandum			
Assistant Director Housing Service (HRA) Total	15,042,034	-22,197,851	-7,155,818
Housing Management (HRA) Total	2,916,061	-1,229,337	1,686,723
Asset Management (HRA) Total	5,226,828	-261,683	4,964,944
Prevention, Options & Inclusion (HRA) Total	589,812	-169,686	420,125
Housing Services (HRA) Total	23,774,534	-23,858,558	-8,424
	378,655,829	-201,629,428	177,026,401

**POPULATED FROM SAP - BUDGET VERSION 1 PLUS
APR TO SEP PERMANENT VIREMENTS**

Position as at 30 September 2010, will reconcile back to budget decision figure of £177,028m. It will include any permanent virements or technical adjustments that have been approved in year.

SERVICE AREA	2010/11 FORECAST VARIANCE PRESSURE / SAVING		
	2010/11 Forecast Variance Pressure/Saving Expenditure £000s	(E) Income £000s	(D+E=F) Net £000s
Corporate Costs Total	78,762	0	78,762
Non Specific Entitlement Total	0	0	0
Corporate Costs Total	78,762	0	78,762
Chief Executive Total	0	0	0
Communications Total	592	0	592
Strategy & Performance Total	75,053	-165,691	-90,639
Office of The Chief Executive TOTAL	75,644	-165,691	-90,047
GRAND TOTAL	28,472,667	-25,220,574	3,252,092
HRA - Memorandum			
Assistant Director Housing Service (HRA) Total	-532,224	522,691	-9,533
Housing Management (HRA) Total	298,113	-301,200	-3,088
Asset Management (HRA) Total	67,500	-110,000	-42,500
Prevention, Options & Inclusion (HRA) Total	-27,281	22,585	-4,696
Housing Services (HRA) Total	-193,893	134,077	-59,816
	28,278,774	-25,086,498	3,192,276

**POPULATED FROM SAP - SEPTEMBER FORECAST
LESS BUDGET BASE IN COLUMNS A, B, C.**

To reconcile back to all pressures identified in the budget monitoring reports. This will be the variance to the "Latest Budget" only.

SERVICE AREA	TOTAL PRESSURES / SAVINGS TO TAKE FORWARD		
	Pressures/Savings to take Forward Expenditure £000s	(E+H=J) Income £000s	(F+I=L) Net £000s
Corporate Costs Total	100,299	0	100,299
Non Specific Entitlement Total	-677,472	0	-677,472
Corporate Costs Total	-577,173	0	-577,173
Chief Executive Total	0	0	0
Communications Total	6,500	0	6,500
Strategy & Performance Total	67,500	0	67,500
Office of The Chief Executive TOTAL	74,000	0	74,000
GRAND TOTAL	17,122,245	-9,510,512	7,601,284
HRA - Memorandum			
Assistant Director Housing Service (HRA) Total	-800,224	522,691	-277,533
Housing Management (HRA) Total	201,283	-231,200	-29,918
Asset Management (HRA) Total	-195,871	200,000	4,129
Prevention, Options & Inclusion (HRA) Total	-27,281	22,585	-4,696
Housing Services (HRA) Total	-822,094	514,077	-308,017
	16,300,152	-8,996,435	7,293,267

CALCULATED FIELD

These items will need to include any FYE of part year pressures identified in 2010/11. These will be unbudgeted pressures/savings to take forward into 2011/12 and as such they will be challenged to ensure that only truly valid items are identified.

COMMENTS

We will not be taking base budget figures to overview and scrutiny at profit centre level. We will be reporting down to the lowest level shown in Budget Monitoring, see worked examples below.

Central Bedfordshire Council - Medium Term Financial Planning

Cross Cutting Efficiencies

Detailed of efficiency proposal	2011/12 £000s	2012/13 £000s	2013/14 £000s
Directorate Name: Cross Cutting			
CC1 Revenue Income Optimisation	(1,500)		
CC6 Passenger Transport Reviews	(1,350)		
CC2 Web Transformation Project	(107)		
CC7 to CC13 Procurement	(1,000)		
CC14 TO CC21 Customer Services Migration	(135)		
CC31 Access to Benefits	(55)		
CC30 Employees Terms and Conditions	(1,000)		
Total	(5,147)	0	0

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Central Bedfordshire Council - Medium Term Financial Planning
Service Efficiencies and Reductions

Detailed of proposal	2011/12 £000s	2012/13 £000s	2013/14 £000s
Social Care Health & Housing	(3,825)	(2,790)	(2,825)
Children' Services	(3,830)	(1,185)	0
Sustainable Communities	(3,272)	(868)	0
Customer and Shared Services	(1,243)	(333)	0
Office of the Chief Executive	(681)	(20)	0
Total	(12,851)	(5,196)	(2,825)

Central Bedfordshire Council - Medium Term Financial Planning
Service Efficiencies and Reductions

Detailed of proposal	Reduction/Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
Directorate Name: Social Care Health & Housing				
SCHH1 Management: Review of management posts at HoS and above.	S	(60)	(85)	0
SCHH2 Housing: Harmonisation of Housing Needs Service into single organisation.	S	(20)	(200)	0
SCHH3 Housing: Review of skill mix below HoS in Housing.	S	(75)	(80)	(50)
SCHH4 Care Management: changes to the 'skill mix' within Assessment and Care Management teams.	S	(150)	(200)	(300)
SCHH5 Care Management: changes to the customer pathway including greater use of IT-based systems.	S	(50)	(200)	(400)
SCHH6 Direct Services: More effective deployment of council staff across the reablement service.	S	(200)	0	0
SCHH7 Direct Services: Streamline the in-house Domiciliary Care (including Respite Services) and Assessment & Resettlement (A&R).	S	(150)	(50)	0
SCHH8 Direct Services: Streamline the management structure at Linsell House.	S	(70)	0	0
SCHH9 Commissioned Services: Maximise use of block purchased home care services.	S	(50)	0	0
SCHH10 Commissioned Services: Increased use of block purchased residential care beds including development of a homefinder service for respite care.	S	(150)	(100)	(100)
SCHH11 Commissioned Services: Renegotiation of high cost Learning Disability and Physical Disability residential placements.	S	(500)	(200)	(100)
SCHH12 Business Systems: End the Service Level Agreement for business support.	S	(80)	0	0
SCHH19 Change the "skill mix" in assessment and Care Management Teams	S	(100)	0	0
SCHH20 Streamline in-house services for Learning Disabilities	S	(200)	0	0
SCHH21 Learning Disabilities Commissioning	S	(100)	0	0
SCHH22 Reduction in Transforming Peoples Lives Service	S	(120)	0	0

Central Bedfordshire Council - Medium Term Financial Planning
Service Efficiencies and Reductions

Detailed of proposal	Reduction/Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
SCHH23 Management Review of Commissioning & Partnership Team	S	(50)	0	0
Business Process Re-engineering	S		(100)	
SCHH15 Direct Services: Modernisation of Day Services for adults with Learning Disabilities.	R	(100)	(100)	(200)
SCHH16 Direct Services: LuDun	R	(300)	0	0
SCHH17 Commissioned Services: Reduction in usage of residential and nursing care services and review of use of the Supporting People Welfare Grant.	R	(1,050)	(1,200)	(1,200)
SCHH18 Commissioned Services: Development of a joint approach with the health service to deliver an improved care and reablement service.	R	(250)	(275)	(250)
Cut Provision for Day Services for Older People	R			(225)
Total		(3,825)	(2,790)	(2,825)

Central Bedfordshire Council - Medium Term Financial Planning

Service Efficiencies and Reductions

Detailed of proposal	Reduction/Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
Directorate Name: Children's Services				
CS1 Reduction of posts at Head of Service level and in the Learning and Commissioning services part of the directorate	S	(915)	(200)	
CS2 CSO - Education Welfare.	S	(100)	-	
CS2a Education Welfare Officers	S	(100)		
CS3 CSO - Removal of processes that support regulatory activity.	S	(100)	-	
CS4 CSO - Special Educational Needs.	R	(128)	(272)	
CS5 CSO - Remodel the Youth Service.	R	(1,898)		
CS6 CSO - Strategic Commissioning of social care placements and interventions.	S	(230)	(500)	
CS7 L&SC - Workforce Strategy	S	(100)	(100)	
CS8 CSO Parenting Support.	R	(100)		
CS9a Music Service	R	(159)	(113)	
Total		(3,830)	(1,185)	0

**Central Bedfordshire Council - Medium Term Financial Planning
Service Efficiencies and Reductions**

Detailed of proposal	Reduction/ Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
Directorate Name: Sustainable Communities				
HT2 Car parking and resident permit scheme	S	(70)		
HT3 Reduce lump sum allocations in the Highways 'Managing Agent Contract'	S	(50)		
CSPPWL1 Public Protection - reconfiguration and restructure of management, licensing and administrative support	S	(230)		
CSPPWL2 Leisure services - a combination of the removal of security and cleaning in vicinity of Grove Theatre Dunstable, deletion of two posts, and reduction in SLA Recharge for Leisure Outdoor Education	S	(120)		
P3 Joint Technical Unit (JTU) office relocated from rented offices in Luton to Technology House Saving on Rental Payments	S	(35)		
P4 Reduction in resource to input into Regional / Sub Regional Planning	S	(50)		
P5 Reduction in Biodiversity Officer and Countryside Officer resource as a result of dissolution of shared funding arrangements	S	(10)		
P7 Development Management Restructure	S	(210)		
P8 Increasing of fees for a range of services	S	(260)		
P9 Building Control Restructure	S	(50)		
EGSR1 Reduce external enterprise and marketing activity	R	(100)	-	
EGSR2 Stop grant to Luton Gateway Local Delivery Vehicle (LDV)	R	(50)	-	
EGSR3 Town and Parish planning support activity stopped	R	(45)	-	
EGSR4 Mobile Library Service to be stopped (library link will continue to be provided)	R	(55)	-	
EGSR5 Libraries Homework Centres for five areas to be discontinued from 1/7/11	R	(30)	-	
EGSR6 European Development Programme funds stopped	R	(20)	-	

Central Bedfordshire Council - Medium Term Financial Planning
Service Efficiencies and Reductions

Detailed of proposal	Reduction/Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
EGSR7 Reduction in Arts Development Service and refocus to support the most vulnerable	R	(65)	-	
HT1 Replace illuminated bollards with reflective ones and turn off street lighting between 2400 and 0600 daily	R	(55)	-	
HT4 Cease support for the provision of school crossing patrols	R	(95)	-	
CSPPWL3 Community Safety Team	R	(90)	-	
CSPPWL4 CCTV - Reduced monitoring, reduction of CCTV operator posts and changes to terms and conditions	R	(70)	(25)	
CSPPWL5 Waste and Street Cleansing: Rationalise a range of waste services	R	(320)	(80)	
CSPPWL6 Biggleswade Recreation Centre	R	(35)	(30)	
CSPPWL7 Closure of Houghton Regis Leisure Centre	R	(42)	(130)	
P1 Housing Strategy and support for new affordable housing provision	R	(50)	(17)	
P2 Sustainable growth advice and support	R	(25)	(10)	
P6 Reduction in small grants / commissions	R	(25)	-	
P10 Countryside Services Restructure	R	(120)	(25)	
P11 Reduction in Transport Strategy Team Resource and Transport Surveys reduced for six monthly to annual	R	(60)	-	
Supplementary EGRS1 Remove Community Involvement Team	R	(200)	(100)	
Supplementary EGRS3 Reduction in Library Hub	R	(100)	(50)	
Supplementary EGRS4 Reduce Library Service	R	(225)	(125)	
Supplementary CSPPWL1 Community Safety Restructure	R	(20)	(10)	

Central Bedfordshire Council - Medium Term Financial Planning

Service Efficiencies and Reductions

Detailed of proposal	Reduction/Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
Supplementary CSDPWL4 Closure of HWRC	R	(30)	(30)	
Supplementary CSDPWL5 Waste Services Restructure	R	(20)	(10)	
Supplementary CSDPWL6 Sports Development and Play Service	R	(100)	(100)	
Supplementary CSDPWL7 Terminate SLA with BBC for Outdoor Education	R	(70)	(53)	
Supplementary CSDPWL8 Sandy Leisure Centre	R	(70)	(73)	
Total		(3,272)	(868)	0

Central Bedfordshire Council - Medium Term Financial Planning
Service Efficiencies and Reductions

Detailed of proposal	Reduction/Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
Directorate Name: Customer & Shared Services				
C&SS1 ICT : SAP maintenance annual licence costs are in the region of £300K per annum.	S	(86)	-	-
C&SS4 Assets : Review of Mouchel contract	S	(450)	-	-
C&SS5 Finance : Business Support (schools) - Move all schools to fully funded bank accounts.	S	(18)	(20)	
C&SS6 Finance : Financial Strategy Team - Reduction in one member of staff managing bank reconciliations.	S	(38)	-	-
C&SS8 HR: Review of payroll provision.	S	(18)	(107)	
C&SS10 Legal & Democratic : Members' Allowance.	S	(80)	-	-
C&SS12 Finance : Business Support - Reduced low level financial support to directorates.	S	(37)	(76)	
C&SS15 Registration Service	S	(8)	(12)	
C&SS16 Reduce Print Rooms to One	S	(160)	(68)	
Your Space property savings- from 2009/10 budget process (2011/12 savings of £100k included in base budget template)	S		(50)	
C&SS2 Customer Services : Remodelling. The proposal is to allocate available customer services resources currently deployed in Ampthill more effectively.	R	(50)		
C&SS9 Legal & Democratic : Review of Legal & Democratic Services	R	(150)		
C&SS19 Transfer responsibility for Council operated Public Conveniences	R	(148)		
Total		(1,243)	(333)	0

**Central Bedfordshire Council - Medium Term Financial Planning
Service Efficiencies and Reductions**

Detailed of proposal	Reduction/ Saving S/R	2011/12 £000s	2012/13 £000s	2013/14 £000s
Directorate Name: Office of the Chief Executive				
OCE1a OCE: Reduction of staffing in Corporate Performance, Programme Management, Design, Business Support / Administration.	S	(238)		
OCE1b OCE: Reduction of staffing support to Overview & Scrutiny.	R	(100)		
OCE2 OCE: Reduction of misc. non-Pay items.	S	(44)		
OCE3 Further Rationalisation of Senior Management Arrangements	S	(30)		
OCE7 OCE: Non-renewal of 'Credit Union' funding when it expires in 2010/11.	R	(31)		
OCE8 OCE: 10% cut to core VCS Grants over 2 years (5% each year).	R	(20)	(20)	
OCE9 Merger of Partnerships & Performance function	S	(54)		
OCE10 Internal Communications	S	(74)		
OCE11 Customer Relations	S	(22)		
OCE12 Programme Management	S	(50)		
OCE13 Risk Management	S	(18)		
Total		(681)	(20)	0

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