

## Revenue budget proposals

A.4.1. This appendix contains the overall budget position for the council, then by directorate. Each budget is prefaced by a commentary outlining the 14/15 budget position, future issues affecting the directorate over the subsequent four years and how the directorate is going to manage the situation

A.4.2. The categories are in order:

- Adults Social Care
- Children, Schools & Families, including delegated schools
- Customer & Communities
- Environment & Infrastructure
- Business Services
- Chief Executive Office (including Public Health)
- Central Income & Expenditure

A.4.3. All expenditure is gross rather than netted off for non government grant and council tax income (fees & charge). Funding is now inclusive of all government grants and local taxation (business rates surplus and council tax).

A.4.4. This appendix outlines the draft 2014/19 revenue budget by:

- income and expenditure type ; and
- total income and service expenditure

A.4.5. In approving the budget and the Council tax precept, the Cabinet and full Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to:

- “eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”

A.4.6. In approving the overall budget and precept at this stage, the Cabinet and Council will be mindful of the specific references in this report to the impact on people with protected characteristics under the Equality Act 2010 – particularly the following proposals referenced in this report which have been identified as requiring new Equality Impact Assessments:

- Family, Friends and Community programme (Adult Social Care)
- Planned savings and income generation relating to the Fire and Rescue Service (Customers and Communities)
- Members’ Allocation Funding and Community Improvement Fund (Customers and Communities)
- Disbanding the Legacy Team (Chief Executive’s Office)
- Public Value Programme (Children, Schools and Families)
- Review of transport provision (Environment and Infrastructure)

- Planning review (Environment and Infrastructure)
- Countryside programme (Environment and Infrastructure)

## Overall

### Draft Income & Expenditure category summary

|                                      | MTFP               |                    |                    |                    |                    |                    |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                      | 2013/14            | 2014/15            | 2015/16            | 2016/17            | 2017/18            | 2018/19            |
|                                      | £000s              | £000s              | £000s              | £000s              | £000s              | £000s              |
| <b>Funding</b>                       |                    |                    |                    |                    |                    |                    |
| Local taxation - Council Tax         | (550,420)          | (571,343)          | (578,083)          | (592,517)          | (607,297)          | (622,469)          |
| Local taxation - Business rates      | (43,863)           | (45,525)           | (47,165)           | (48,917)           | (50,834)           | (52,876)           |
| UK Government grants                 | (923,038)          | (853,161)          | (849,481)          | (853,795)          | (854,117)          | (857,516)          |
| Other bodies grants                  | (18,302)           | (22,626)           | (22,663)           | (22,701)           | (22,739)           | (22,778)           |
| Fees & charges                       | (80,676)           | (81,907)           | (84,417)           | (87,665)           | (91,448)           | (95,061)           |
| Property income                      | (3,681)            | (3,899)            | (3,984)            | (4,071)            | (4,160)            | (4,251)            |
| Income from investment               | (578)              | (522)              | (450)              | (344)              | (5,295)            | (5,191)            |
| Joint working income                 | (24,149)           | (23,166)           | (23,121)           | (23,081)           | (23,045)           | (23,015)           |
| Reimbursements and recovery of costs | (20,554)           | (18,587)           | (19,309)           | (20,160)           | (20,530)           | (20,762)           |
| <b>Total funding</b>                 | <b>(1,665,261)</b> | <b>(1,620,736)</b> | <b>(1,628,673)</b> | <b>(1,653,251)</b> | <b>(1,679,406)</b> | <b>(1,703,920)</b> |
| <b>Expenditure</b>                   |                    |                    |                    |                    |                    |                    |
| Service staffing                     | 313,262            | 306,829            | 307,354            | 307,386            | 308,827            | 311,589            |
| Service non-staffing                 | 853,109            | 871,579            | 860,233            | 892,429            | 929,929            | 972,944            |
| Schools - net expenditure            | 521,855            | 468,246            | 461,086            | 460,105            | 460,105            | 460,105            |
| Additional savings                   |                    |                    |                    | (6,669)            | (19,455)           | (40,718)           |
| <b>Total expenditure</b>             | <b>1,688,226</b>   | <b>1,646,653</b>   | <b>1,628,673</b>   | <b>1,653,251</b>   | <b>1,679,406</b>   | <b>1,703,920</b>   |
| <b>Funded by reserves</b>            | <b>22,965</b>      | <b>25,917</b>      | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |

## Proposed gross expenditure revenue budget 2014/19

|  | 2013/14          | 2014/15          | 2015/16          | 2016/17          | 2017/18          | 2018/19          |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue summary  | £000s            | £000s            | £000s            | £000s            | £000s            | £000s            |
| Personal Care & Support  | 302,142          | 306,147          | 309,643          | 324,639          | 345,730          | 376,131          |
| Service Delivery   | 20,524           | 20,685           | 19,980           | 19,270           | 18,540           | 18,701           |
| Policy & Strategy  | 3,509            | 3,029            | 3,051            | 3,073            | 3,092            | 3,110            |
| Commissioning  | 80,038           | 82,492           | 83,070           | 83,656           | 84,244           | 84,900           |
| Strategic Director   | 412              | 416              | 420              | 425              | 428              | 432              |
| <b>Adults Social Care</b>  | <b>406,625</b>   | <b>412,768</b>   | <b>416,165</b>   | <b>431,063</b>   | <b>452,034</b>   | <b>483,275</b>   |
| Strategic Services   | 3,207            | 2,841            | 2,516            | 2,537            | 2,560            | 2,560            |
| Children's Service   | 86,408           | 89,686           | 92,001           | 92,260           | 94,156           | 94,156           |
| Schools and Learning   | 214,040          | 211,519          | 214,953          | 218,289          | 224,010          | 224,010          |
| Services for Young People  | 21,094           | 26,329           | 26,654           | 26,805           | 27,181           | 27,181           |
| <b>Children, Schools &amp; Families</b>                          | <b>324,749</b>   | <b>330,375</b>   | <b>336,124</b>   | <b>339,891</b>   | <b>347,907</b>   | <b>347,907</b>   |
| <b>Schools Delegated Budgets</b>                                 | <b>521,855</b>   | <b>468,246</b>   | <b>461,086</b>   | <b>460,105</b>   | <b>460,105</b>   | <b>460,105</b>   |
| Fire Service   | 45,752           | 46,724           | 46,944           | 45,809           | 45,090           | 48,565           |
| Cultural Services  | 23,917           | 23,213           | 23,709           | 24,218           | 24,741           | 25,274           |
| Customer Services  | 4,010            | 3,906            | 3,964            | 4,045            | 4,125            | 4,208            |
| Trading Standards  | 2,480            | 2,521            | 2,566            | 2,614            | 2,663            | 2,711            |
| Community Partnership & Safety                                   | 3,476            | 2,992            | 3,039            | 3,087            | 3,136            | 3,186            |
| County Coroner   | 1,075            | 1,243            | 1,266            | 1,289            | 1,313            | 1,337            |
| Directorate Support  | 2,167            | 1,648            | 1,686            | 1,725            | 1,765            | 1,806            |
| <b>Customer &amp; Communities</b>                                | <b>82,877</b>    | <b>82,247</b>    | <b>83,174</b>    | <b>82,787</b>    | <b>82,833</b>    | <b>87,087</b>    |
| Environment  | 87,344           | 89,621           | 85,397           | 86,036           | 88,534           | 91,917           |
| Highways   | 52,689           | 53,406           | 54,418           | 55,927           | 56,509           | 58,132           |
| Directorate-wide services<br>(including savings to be allocated) | 2,771            | 2,509            | 2,183            | 2,107            | 2,148            | 2,015            |
| <b>Environment &amp; Infrastructure</b>                          | <b>142,804</b>   | <b>145,536</b>   | <b>141,998</b>   | <b>144,070</b>   | <b>147,190</b>   | <b>152,064</b>   |
| Property Services  | 39,889           | 40,009           | 38,755           | 40,171           | 41,803           | 43,587           |
| Information Management & Technology                              | 23,244           | 25,546           | 24,920           | 25,073           | 25,584           | 26,105           |
| Finance & strategic support                                      | 10,563           | 10,787           | 11,433           | 11,861           | 12,406           | 12,655           |
| HR & Organisational Development                                  | 11,447           | 11,411           | 11,070           | 11,207           | 11,427           | 11,651           |
| Shared Services  | 8,640            | 8,708            | 8,152            | 8,230            | 8,382            | 8,538            |
| Procurement  | 3,444            | 3,481            | 3,544            | 3,508            | 3,571            | 3,635            |
| <b>Business Services</b>   | <b>97,227</b>    | <b>99,942</b>    | <b>97,874</b>    | <b>100,050</b>   | <b>103,173</b>   | <b>106,171</b>   |
| Strategic Leadership   | 472              | 444              | 445              | 447              | 447              | 449              |
| Emergency Management   | 499              | 531              | 541              | 549              | 560              | 570              |
| Communications   | 1,892            | 1,820            | 1,851            | 1,883            | 1,917            | 1,950            |
| Legal & Democratic Services                                      | 9,899            | 8,543            | 8,513            | 8,677            | 10,353           | 9,022            |
| Policy & Performance   | 3,292            | 3,931            | 3,988            | 4,045            | 4,102            | 4,161            |
| Magna Carta  | 0                | 300              | 0                | 0                | 0                | 0                |
| Public Health  | 26,994           | 28,361           | 30,417           | 32,228           | 34,321           | 37,723           |
| <b>Chief Executive Office</b>                                    | <b>43,048</b>    | <b>43,930</b>    | <b>45,755</b>    | <b>47,829</b>    | <b>51,700</b>    | <b>53,875</b>    |
| <b>Central Income &amp; Exp</b>                                  | <b>69,041</b>    | <b>63,610</b>    | <b>56,496</b>    | <b>64,125</b>    | <b>63,919</b>    | <b>64,154</b>    |
| <b>Public service transformation network</b>                     | <b>0</b>         | <b>0</b>         | <b>(10,000)</b>  | <b>(10,000)</b>  | <b>(10,000)</b>  | <b>(10,000)</b>  |
| <b>Additional savings</b>  |                  |                  |                  | <b>(6,669)</b>   | <b>(19,455)</b>  | <b>(40,718)</b>  |
| <b>Total expenditure</b>   | <b>1,688,226</b> | <b>1,646,653</b> | <b>1,628,673</b> | <b>1,653,251</b> | <b>1,679,406</b> | <b>1,703,920</b> |

## **Adult Social Care**

**Acting Strategic Director: Dave Sargeant**

**Strategic Finance Manager: Paul Carey-Kent**

### **Financial commentary**

- A.4.7. The base revenue expenditure budget for the Adult Social Care Directorate in 2013/14 is £338m and the proposed budget is £339m, giving an overall increase of £1m.
- A.4.8. This overall budget for 2014/15 includes £59m to deal with service pressures, a combination of demographic and inflationary pressures and the need to replace savings covered by one-off means in 2013/14.
- A.4.9. The pressures emerging from 2013/14 and updating of demographic projections for 2014/15 total £59m, offset by the £1m increase in the budget and £5m of other funding changes. The Directorate has, therefore, included in its budget savings of £53m.
- A.4.10. This makes 2014/15 a particularly challenging year and it is thus the dominant year in considering the Directorate's MTFP. Monitoring for 2013/14 shows that expenditure, particularly for individually commissioned 'spot' care services, is significantly above budgeted levels. A number of one-off measures and funding sources are being utilised to mitigate these pressures year, but few of these are expected to be available next year; and in spite of those measures a £5.8m overspend is forecast for 2013/14 (as at the end of December 2013).
- A.4.11. Details of the savings programme to achieve that are being finalised, and joint work will be carried out with the Chief Executive and Chief Finance Officer to confirm the programme and gain assurance that the 2014/15 budget can be delivered.
- A.4.12. Future years of the MTFP are also challenging with ambitious savings targets for the Friends, Family and Community programme (a further £20m in 2015-18 on top of the £10m planned for 2014/15) and £4.9m of as-yet-unallocated savings in 2015/16. Although the priority is therefore to address the 2014/15 budget, future years still require careful consideration especially in light of the risks associated with the Care Bill and potential market pressures. This will make it important to work successfully with the Clinical Commissioning Groups (CCGs) in order to make best use of the Better Care Funding from 2015/16.

## Adults Social Care

### Draft Income & Expenditure category summary

|  | MTFP            |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2013/14         | 2014/15         | 2015/16         | 2016/17         | 2017/18         | 2018/19         |
|  | £000s           | £000s           | £000s           | £000s           | £000s           | £000s           |
| <b>Funding</b>   |                 |                 |                 |                 |                 |                 |
| UK Government grants   | (2,030)         | (222)           | (222)           | (222)           | (222)           | (222)           |
| Other bodies grants  | (14,297)        | (18,309)        | (18,309)        | (18,309)        | (18,309)        | (18,309)        |
| Fees & charges   | (38,173)        | (41,911)        | (43,377)        | (45,555)        | (48,149)        | (51,489)        |
| Joint working income   | (11,971)        | (11,080)        | (10,830)        | (10,580)        | (10,330)        | (10,080)        |
| Reimbursements and recovery of costs                                     | (2,222)         | (2,222)         | (2,222)         | (2,222)         | (2,222)         | (2,222)         |
| <b>Total funding</b>   | <b>(68,693)</b> | <b>(73,744)</b> | <b>(74,960)</b> | <b>(76,888)</b> | <b>(79,232)</b> | <b>(82,322)</b> |
| <b>Expenditure</b>   |                 |                 |                 |                 |                 |                 |
| Service staffing   | 73,632          | 70,853          | 70,633          | 70,394          | 70,085          | 70,643          |
| Service non-staffing   | 332,993         | 341,915         | 345,532         | 360,669         | 381,950         | 412,632         |
| <b>Total expenditure</b>   | <b>406,625</b>  | <b>412,768</b>  | <b>416,165</b>  | <b>431,063</b>  | <b>452,034</b>  | <b>483,275</b>  |
| <b>Net budget supported by Council Tax and general government grants</b> | <b>337,932</b>  | <b>339,024</b>  | <b>341,205</b>  | <b>354,175</b>  | <b>372,802</b>  | <b>400,952</b>  |

### Draft service summary

|                                | 2013/14        | 2014/15        | 2015/16        | 2016/17        | 2017/18        | 2018/19        |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                | £000s          | £000s          | £000s          | £000s          | £000s          | £000s          |
| Funding                        | (68,693)       | (73,744)       | (74,960)       | (76,888)       | (79,232)       | (82,322)       |
| <b>Expenditure by service:</b> |                |                |                |                |                |                |
| Personal Care & Support        | 302,142        | 306,147        | 309,643        | 324,639        | 345,730        | 376,131        |
| Service Delivery               | 20,524         | 20,685         | 19,980         | 19,270         | 18,540         | 18,701         |
| Policy & Strategy              | 3,509          | 3,029          | 3,051          | 3,073          | 3,092          | 3,110          |
| Commissioning                  | 80,038         | 82,492         | 83,070         | 83,656         | 84,244         | 84,900         |
| Strategic Director             | 412            | 416            | 420            | 425            | 428            | 432            |
|                                | 406,625        | 412,768        | 416,165        | 431,063        | 452,034        | 483,275        |
| <b>Adults Social Care</b>      | <b>337,932</b> | <b>339,024</b> | <b>341,205</b> | <b>354,175</b> | <b>372,802</b> | <b>400,952</b> |

## **Children, Schools & Families.**

**Strategic Director: Nick Wilson**

**Strategic Finance Manager: Paula Chowdhury**

### **Budget 2014/15**

A.4.13. The base revenue expenditure budget for the Children, Schools and Families Directorate in 2013/14 is £325m and in 2014/15 the proposed budget is £330m, giving an overall net increase of £5m.

A.4.14. This overall budget for 2014/15 includes increased funding of £12.2m for service pressures:

- £4.2m for specific demand led pressures around child protection and Special Education Needs (SEN); and
- £8.0m for general inflation, pay inflation and general demographic growth.

A.4.15. The Directorate also has included in its budget planned savings for 2014/15 to the value of £9.1m. This has been allocated to each of the individual services:

- Schools and Learning £4.3m;
- Children's Services £3m; and
- Services for Young People £1.8m.

A.4.16. The schools delegated base revenue budget in 2013/14 is £522m and in 2014/15 is proposed at £468m. The year on year reduction is as a result of the Dedicated Schools Grant reducing by -£63.1m, the post 16 funding reducing by -£4.3 and the pupil premium funding reducing by -£2.5m, for schools converting to academies. These reductions are then off-set by some small increases and transfers of responsibilities from centrally managed services to schools totaling £15.7m.

A.4.17. The provisional DSG settlement in December for children with learning disabilities in schools post 16 is £2.5m less than is required given that the full cost of placements is now expected to be funded from the allocation. This was unexpected and was therefore not planned for. Schools Forum has been informed and we will need to manage the funding risk together.

A.4.18. The total Children, Schools and Families budget, including schools, for 2014/15 is £798m, compared to £847m in 2013/14.

### **Medium Term Financial Plan 2014/19**

A.4.19. Over the five year period of the MTFP, the Directorate is anticipating budget pressures as a result of funding reductions, demand led budgets and general demographic increases. The pressure on the schools funding will increase as more schools convert to become academy taking significant funding with them and reduced growth funding and the potential ring-fencing of Early Years. The Special Education Need high needs block continues to have significant demand growth pressures as the school population increases.

A.4.20. School improvement continues to be a major priority for the County Council, with key performance targets being set around the funding allocation of £1.9m.

- A.4.21. The Directorate has made savings of over £56m over the last five years while facing the further challenge of £24m savings over the next five years. It is expected that this target will increase over the period, due to further funding and policy changes from Central Government.
- A.4.22. One of the key areas of funding risk for the Directorate is around the Dedicated Schools Grant (DSG). The high needs block within the DSG, which funds the special education needs services, has not received growth funding, yet this is an area where demand is increasing as the overall school population increases. This growth issue coupled with the 2014/15 funding shortfall on post 16 learning disabilities, means that from 2015/16 there could be an approx £7m shortfall within DSG.
- A.4.23. Another major funding risk for the Directorate and the wider County Council is the continual reduction of the Education Services Grant (ESG). This grant is part of the general County Council funding for school improvement and contributes towards Directorate and Corporate overheads. As schools convert to academy status the ESG reduces and for 2014/15 the financial impact is estimated at £2m. In addition to this continual academy conversion reduction, the government has announced the possibility of a 20% reduction on this grant from 2015/16. This grant reduction has been built into the 2014/19 planning.
- A.4.24. The Directorate has recognised these challenges and has established a Public Value Programme to research and identify efficiency savings and reductions across the Directorate. The focus of this work is around reviewing - Early Help strategies and strengthening the preventative services; disability services and support for families with complex needs. Part of this work will be about strengthening partnership working with Health, Boroughs and Districts, the Police and the voluntary sector, maximising local resources through joint commissioning, joint working practices and community budgets.
- A.4.25. The County Council has been successful in its bid to be part of the governments Public Services Transformation Network (PSTN). The Directorate is building on the national work around Troubled Families and one of the PSTN projects is to expand this work further and develop an integrated Family Support Programme with partner agencies sharing the costs and the fiscal and non-fiscal benefits. The second PSTN partnership project is about skilling up 14-19 year olds so that they are marketable in the future labour market.

**Children, Schools & Families****Draft Income & Expenditure category summary**

|  | MTFP             |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2013/14          | 2014/15          | 2015/16          | 2016/17          | 2017/18          | 2018/19          |
|  | £000s            | £000s            | £000s            | £000s            | £000s            | £000s            |
| <b>Funding</b>   |                  |                  |                  |                  |                  |                  |
| Dedicated Schools Grant  | (109,211)        | (108,826)        | (110,826)        | (112,826)        | (114,826)        | (114,826)        |
| Other UK Government grants   | (4,676)          | (4,796)          | (4,294)          | (4,294)          | (4,294)          | (4,294)          |
| Other bodies grants  | (1,084)          | (1,084)          | (1,084)          | (1,084)          | (1,084)          | (1,084)          |
| Fees & charges   | (25,974)         | (24,569)         | (25,359)         | (26,165)         | (27,086)         | (27,086)         |
| Property income  | (27)             | (27)             | (27)             | (27)             | (27)             | (27)             |
| Joint working income   | (2,774)          | (2,774)          | (2,774)          | (2,774)          | (2,774)          | (2,774)          |
| Reimbursements and recovery of costs                                     | (6,511)          | (6,511)          | (6,511)          | (6,511)          | (6,511)          | (6,511)          |
| <b>Total funding</b>   | <b>(150,257)</b> | <b>(148,587)</b> | <b>(150,875)</b> | <b>(153,681)</b> | <b>(156,602)</b> | <b>(156,602)</b> |
| <b>Expenditure</b>   |                  |                  |                  |                  |                  |                  |
| Service staffing   | 106,975          | 105,326          | 107,221          | 107,516          | 108,211          | 108,211          |
| Service non-staffing   | 217,774          | 225,049          | 228,903          | 232,375          | 239,696          | 239,696          |
| <b>Total expenditure</b>   | <b>324,749</b>   | <b>330,375</b>   | <b>336,124</b>   | <b>339,891</b>   | <b>347,907</b>   | <b>347,907</b>   |
| <b>Net budget supported by Council Tax and general government grants</b> | <b>174,492</b>   | <b>181,788</b>   | <b>185,249</b>   | <b>186,210</b>   | <b>191,305</b>   | <b>191,305</b>   |

**Draft service summary**

|   | 2013/14        | 2014/15        | 2015/16        | 2016/17        | 2017/18        | 2018/19        |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
|   | £000s          | £000s          | £000s          | £000s          | £000s          | £000s          |
| Funding                                 | (150,257)      | (148,587)      | (150,875)      | (153,681)      | (156,602)      | (156,602)      |
| <b>Expenditure by service:</b>          |                |                |                |                |                |                |
| Strategic Services                      | 3,207          | 2,841          | 2,516          | 2,537          | 2,560          | 2,560          |
| Children's Service                      | 86,408         | 89,686         | 92,001         | 92,260         | 94,156         | 94,156         |
| Schools and Learning                    | 214,040        | 211,519        | 214,953        | 218,289        | 224,010        | 224,010        |
| Services for Young People               | 21,094         | 26,329         | 26,654         | 26,805         | 27,181         | 27,181         |
|   | 324,749        | 330,375        | 336,124        | 339,891        | 347,907        | 347,907        |
| <b>Children, Schools &amp; Families</b> | <b>174,492</b> | <b>181,788</b> | <b>185,249</b> | <b>186,210</b> | <b>191,305</b> | <b>191,305</b> |



## Schools

## Income &amp; Expenditure category summary

|  | 2013/14          | 2014/15          | 2015/16          | 2016/17          | 2017/18          | 2018/19          |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
|  | £000s            | £000s            | £000s            | £000s            | £000s            | £000s            |
| <b>Funding</b>   |                  |                  |                  |                  |                  |                  |
| UK Government grants   | (521,855)        | (468,246)        | (461,086)        | (460,105)        | (460,105)        | (460,105)        |
| <b>Total funding</b>   | <b>(521,855)</b> | <b>(468,246)</b> | <b>(461,086)</b> | <b>(460,105)</b> | <b>(460,105)</b> | <b>(460,105)</b> |
| <b>Expenditure</b>   |                  |                  |                  |                  |                  |                  |
| Schools - net expenditure  | 521,855          | 468,246          | 461,086          | 460,105          | 460,105          | 460,105          |
| <b>Total expenditure</b>   | <b>521,855</b>   | <b>468,246</b>   | <b>461,086</b>   | <b>460,105</b>   | <b>460,105</b>   | <b>460,105</b>   |
| <b>Net Budget supported<br/>by Council Tax and<br/>general government<br/>grants</b> | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         |

**Customers and Communities.****Strategic Director: Yvonne Rees & Susie Kemp****Strategic Finance Manager: Susan Smyth****Financial commentary**

- A.4.26. The Directorate faces pressures of £6.0m over the five year planning period, predominately due to expected inflation of £5.9m, which need to be covered by efficiency actions. In addition there are expected increases in grant funded Fire pension expenditure of £5.2m. Savings of £6.1m and generation of £2.5m additional income are planned over the five year period. These actions, together with £0.7m of budget virements to other directorates, result in a net reduction to the Directorate budget of £3.3m over the 5 year period. There are no significant volume changes expected.
- A.4.27. The Fire service is continuing to implement the Public Safety Plan on a phased basis and the budget is based upon an improved understanding of service pressures and changes to the timing at which savings are assessed as achievable. The Fire Service has planned savings and income generation of £6.3m over the 5 year period. This includes £2.2m of efficiency improvements from property reconfigurations linked to capital investment, and a further £3.3m through planned operational efficiencies and the implementation of staff agency arrangements. £0.9m of the savings from the reconfigurations is being used to fund the relocation of an appliance to a new station at Salfords. The innovative contingency crewing pilot has been extended, with a review during 2014/15.
- A.4.28. The reduced value of contributions to the Fire Vehicle and Equipment Replacement Reserve, as a result of expenditure being funded by government grant, continues for three years saving £1.5m and helping to fund overall pressures. Current plans, which will be kept under review in light of changing vehicle needs and future grant settlements, reinstate the full contribution in 2017/18.
- A.4.29. Across the rest of Customers and Communities there are planned savings and increased income of £2.3m. These include reductions to Members' Allocation Funding and the Community Improvements Fund totalling £0.5m, together with reductions as a result of staffing efficiencies across a number of services.

**Customer & Communities**  
**Draft Income & Expenditure category summary**

|  | MTFP            |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2013/14         | 2014/15         | 2015/16         | 2016/17         | 2017/18         | 2018/19         |
|  | £000s           | £000s           | £000s           | £000s           | £000s           | £000s           |
| <b>Funding</b>   |                 |                 |                 |                 |                 |                 |
| UK Government grants   | (10,658)        | (11,455)        | (13,799)        | (14,012)        | (12,881)        | (15,924)        |
| Other bodies grants  | (2,921)         | (3,233)         | (3,270)         | (3,308)         | (3,346)         | (3,385)         |
| Fees & charges   | (9,137)         | (8,705)         | (8,807)         | (8,914)         | (9,023)         | (9,131)         |
| Property income  |                 | (145)           | (148)           | (151)           | (154)           | (157)           |
| Joint working income   | (280)           | 0               | 0               | 0               | 0               | 0               |
| Reimbursements and recovery of costs                                     | (531)           | (1,300)         | (1,645)         | (2,229)         | (2,401)         | (2,428)         |
| <b>Total funding</b>   | <b>(23,527)</b> | <b>(24,838)</b> | <b>(27,669)</b> | <b>(28,614)</b> | <b>(27,805)</b> | <b>(31,025)</b> |
| <b>Expenditure</b>   |                 |                 |                 |                 |                 |                 |
| Service staffing   | 57,323          | 56,184          | 54,642          | 53,818          | 54,303          | 55,183          |
| Service non-staffing   | 25,554          | 26,063          | 28,532          | 28,969          | 28,530          | 31,904          |
| <b>Total expenditure</b>   | <b>82,877</b>   | <b>82,247</b>   | <b>83,174</b>   | <b>82,787</b>   | <b>82,833</b>   | <b>87,087</b>   |
| <b>Net Budget supported by Council Tax and general government grants</b> | <b>59,350</b>   | <b>57,409</b>   | <b>55,505</b>   | <b>54,173</b>   | <b>55,028</b>   | <b>56,062</b>   |

**Draft service summary**

|                                   | 2012/13       | 2014/15       | 2015/16       | 2016/17       | 2017/18       | 2018/19       |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                   | £000s         | £000s         | £000s         | £000s         | £000s         | £000s         |
| Funding                           | (23,527)      | (24,838)      | (27,669)      | (28,614)      | (27,805)      | (31,025)      |
| <b>Expenditure by service:</b>    |               |               |               |               |               |               |
| Fire Service                      | 45,752        | 46,724        | 46,944        | 45,809        | 45,090        | 48,565        |
| Cultural Services                 | 23,917        | 23,213        | 23,709        | 24,218        | 24,741        | 25,274        |
| Customer Services                 | 4,010         | 3,906         | 3,964         | 4,045         | 4,125         | 4,208         |
| Trading Standards                 | 2,480         | 2,521         | 2,566         | 2,614         | 2,663         | 2,711         |
| Community Partnership & Safety    | 3,476         | 2,992         | 3,039         | 3,087         | 3,136         | 3,186         |
| County Coroner                    | 1,075         | 1,243         | 1,266         | 1,289         | 1,313         | 1,337         |
| Directorate Support               | 2,167         | 1,648         | 1,686         | 1,725         | 1,765         | 1,806         |
|                                   | 82,877        | 82,247        | 83,174        | 82,787        | 82,833        | 87,087        |
| <b>Customer &amp; Communities</b> | <b>59,350</b> | <b>57,409</b> | <b>55,505</b> | <b>54,173</b> | <b>55,028</b> | <b>56,062</b> |

**Environment & Infrastructure****Strategic Director: Trevor Pugh****Strategic Finance Manager: Susan Smyth****Financial commentary**

- A.4.30. Environment & Infrastructure faces pressures and growth of £18m (including funding changes) over the five year planning period. This primarily relates to inflation of £24.4m across all budgets including waste disposal, highways and local bus contracts. Two additional pressures are anticipated. Local bus contract savings planned for 2013/14 have not been delivered in anticipation of a wider review of transport provision (see below). Together with increased costs of bus services this results in a pressure of £0.5m. Secondly, changes to the highway repairs regime and associated lump sum payments are expected to result in an additional cost of £0.4m. Other changes include the reversal of prior year one-off savings, and annual changes to expected waste disposal spend resulting from volume and costs. Further uncertainties remain, including implications of the transfer of Bus Service Operators Grant and the possible transfer of maintenance responsibility for Highway Agency assets to local authorities.
- A.4.31. Pressures and growth are offset by planned savings of £6.6m over the five year planning period. These include highway maintenance efficiencies and reductions (£2.1m) including reducing costs through collaboration and reduced overheads, expected savings through a review of transport provision (£2m), savings from the ongoing “one team” organisational review (£0.8m) and from ongoing reviews of support and other services (£0.9m, including directorate support services, planning & development, network management, sustainability and road safety), countryside (£0.4m) and waste disposal (£0.3m).
- A.4.32. In the longer term waste management efficiencies are planned, in collaboration with partners across the Surrey Waste Partnership and SE7, by adopting a more consistent and efficient approach to disposal and recycling and taking advantage of new technologies and business models. Highway maintenance efficiencies from a more effective investment strategy and improved supply chain are also being investigated.

**Environment & Infrastructure**  
**Draft Income & Expenditure category summary**

|  | MTFP            |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2013/14         | 2014/15         | 2015/16         | 2016/17         | 2017/18         | 2018/19         |
|  | £000s           | £000s           | £000s           | £000s           | £000s           | £000s           |
| <b>Funding</b>   |                 |                 |                 |                 |                 |                 |
| UK Government grants   | (3,528)         | (3,601)         | (992)           | (762)           | (762)           | (762)           |
| Fees & charges   | (7,096)         | (6,411)         | (6,557)         | (6,707)         | (6,860)         | (7,018)         |
| Joint working income   | (4,037)         | (4,123)         | (4,214)         | (4,307)         | (4,402)         | (4,500)         |
| Reimbursements and recovery of costs                                     | (2,748)         | (2,352)         | (2,405)         | (2,459)         | (2,515)         | (2,572)         |
| <b>Total funding</b>   | <b>(17,409)</b> | <b>(16,487)</b> | <b>(14,168)</b> | <b>(14,235)</b> | <b>(14,539)</b> | <b>(14,851)</b> |
| <b>Expenditure</b>   |                 |                 |                 |                 |                 |                 |
| Service staffing   | 21,667          | 20,926          | 20,906          | 21,140          | 20,746          | 21,096          |
| Service non-staffing   | 121,137         | 124,610         | 121,093         | 122,930         | 126,444         | 130,968         |
| <b>Total expenditure</b>   | <b>142,804</b>  | <b>145,536</b>  | <b>141,998</b>  | <b>144,070</b>  | <b>147,190</b>  | <b>152,064</b>  |
| <b>Net Budget supported by Council Tax and general government grants</b> | <b>125,395</b>  | <b>129,049</b>  | <b>127,830</b>  | <b>129,835</b>  | <b>132,651</b>  | <b>137,213</b>  |

**Draft service summary**

|   | 2013/14        | 2014/15        | 2015/16        | 2016/17        | 2017/18        | 2018/19        |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
|   | £000s          | £000s          | £000s          | £000s          | £000s          | £000s          |
| Funding   | (17,409)       | (16,487)       | (14,168)       | (14,235)       | (14,539)       | (14,851)       |
| <u>Expenditure by service:</u>                                |                |                |                |                |                |                |
| Environment   | 87,344         | 89,621         | 85,397         | 86,036         | 88,534         | 91,917         |
| Highways  | 52,689         | 53,406         | 54,418         | 55,927         | 56,509         | 58,132         |
| Directorate-wide services (including savings to be allocated) | 2,771          | 2,509          | 2,183          | 2,107          | 2,148          | 2,015          |
|   | 142,804        | 145,536        | 141,998        | 144,070        | 147,190        | 152,064        |
| <b>Environment &amp; Infrastructure</b>                       | <b>125,395</b> | <b>129,049</b> | <b>127,830</b> | <b>129,835</b> | <b>132,651</b> | <b>137,213</b> |

**Business Services****Strategic Director: Julie Fisher****Strategic Finance Manager: Susan Smyth****Financial commentary**

- A.4.33. Savings of £6.2 m will be delivered over the five years through continued efficiency improvements, increased income and enhanced partnership working across Business Services. Self service capability will be significantly improved for services creating efficiency improvements in Business Services and improved quality of delivery for customers. Working in partnership will drive benefits from economies of scale, and the directorate will continue to strengthen and enhance partnership arrangements that we have across our IT infrastructure, procurement and transactional services exemplified by our partnership with East Sussex. Securing improved commercial arrangements with suppliers for the council and for partners will deliver savings in Business Services and the council as a whole. The Directorate will continue to develop its business support offer and deliver income from the provision of transactional and professional consultancy services to partners and other external organisations.
- A.4.34. The directorate budget includes additional strategic investment in IMT of £2m in 2014/15 and £1m per annum thereafter. This investment will deliver enhanced functionality to drive efficiency and productivity improvements across the council, particularly in relation to the modern worker programme which equips staff and members with appropriate technology to carry out their roles. The directorate budget includes inflationary costs of £11.8m over the planning period, which include updated assumptions regarding energy inflation however there remain uncertainties regarding this in the medium to longer term. The budget has been adjusted for recent announcements regarding the grant funding for the Local Assistance scheme which will discontinue after 2014 / 15. Assuming that support to vulnerable people will continue to be provided by the council at the current levels of expenditure creates a cost pressure of £0.5m.

**Business Services****Draft Income & Expenditure category summary**

|  | <b>MTFP</b>     |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | <b>2013/14</b>  | <b>2014/15</b>  | <b>2015/16</b>  | <b>2016/17</b>  | <b>2017/18</b>  | <b>2018/19</b>  |
|  | <b>£000s</b>    | <b>£000s</b>    | <b>£000s</b>    | <b>£000s</b>    | <b>£000s</b>    | <b>£000s</b>    |
| <b>Funding</b>   |                 |                 |                 |                 |                 |                 |
| UK Government grants   | (1,162)         | (1,145)         |                 |                 |                 |                 |
| Fees & charges   | (100)           | (102)           | (104)           | (106)           | (108)           | (110)           |
| Property income  | (3,654)         | (3,727)         | (3,809)         | (3,893)         | (3,979)         | (4,067)         |
| Joint working income   | (5,066)         | (5,167)         | (5,281)         | (5,397)         | (5,516)         | (5,637)         |
| Reimbursements and recovery of costs                                     | (5,073)         | (5,789)         | (6,106)         | (6,312)         | (6,447)         | (6,586)         |
| <b>Total funding</b>   | <b>(15,055)</b> | <b>(15,930)</b> | <b>(15,300)</b> | <b>(15,708)</b> | <b>(16,050)</b> | <b>(16,400)</b> |
| <b>Expenditure</b>   |                 |                 |                 |                 |                 |                 |
| Service staffing   | 40,305          | 40,329          | 40,450          | 40,822          | 41,556          | 42,303          |
| Service non-staffing   | 56,922          | 59,613          | 57,424          | 59,228          | 61,617          | 63,868          |
| <b>Total expenditure</b>   | <b>97,227</b>   | <b>99,942</b>   | <b>97,874</b>   | <b>100,050</b>  | <b>103,173</b>  | <b>106,171</b>  |
| <b>Net Budget supported by Council Tax and general government grants</b> | <b>82,172</b>   | <b>84,012</b>   | <b>82,574</b>   | <b>84,342</b>   | <b>87,123</b>   | <b>89,771</b>   |

**Draft service summary**

|                                     | <b>2013/14</b> | <b>2014/15</b> | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                     | <b>£000s</b>   | <b>£000s</b>   | <b>£000s</b>   | <b>£000s</b>   | <b>£000s</b>   | <b>£000s</b>   |
| Funding                             | (15,055)       | (15,930)       | (15,300)       | (15,708)       | (16,050)       | (16,400)       |
| <b>Expenditure by service:</b>      |                |                |                |                |                |                |
| Property Services                   | 39,889         | 40,009         | 38,755         | 40,171         | 41,803         | 43,587         |
| Information Management & Technology | 23,244         | 25,546         | 24,920         | 25,073         | 25,584         | 26,105         |
| Finance & strategic support         | 10,563         | 10,787         | 11,433         | 11,861         | 12,406         | 12,655         |
| HR & Organisational Development     | 11,447         | 11,411         | 11,070         | 11,207         | 11,427         | 11,651         |
| Shared Services                     | 8,640          | 8,708          | 8,152          | 8,230          | 8,382          | 8,538          |
| Procurement                         | 3,444          | 3,481          | 3,544          | 3,508          | 3,571          | 3,635          |
|                                     | 97,227         | 99,942         | 97,874         | 100,050        | 103,173        | 106,171        |
| <b>Business Services</b>            | <b>82,172</b>  | <b>84,012</b>  | <b>82,574</b>  | <b>84,342</b>  | <b>87,123</b>  | <b>89,771</b>  |

**Chief Executive's Office****Asst Chief Executive Officer: Susie Kemp****Strategic Finance Manager: Susan Smyth****Financial commentary**

- A.4.35. The Chief Executive's Office faces ongoing pressures of £1.5m over the 5 year planning period. This is predominately due to expected inflation of £1.3m, but also £0.2m has been added to the Legal budget to reflect the increased costs due to both the number and complexity of child protection cases. The budget has also been adjusted across this period for the £1.5m cost of holding 4-yearly County Council elections in 2017/18.
- A.4.36. Savings of £1.1m are planned over the 5 year period. Of this £0.3m was achieved early during 2013/14. The remaining £0.8m is planned through the creation of an in-house advocacy team (£0.4m) within Legal and through disbanding the Legacy team (£0.4m) that transferred into the directorate during 2013/14.
- A.4.37. There is a one-off £1m budget to mark the 800th celebration of the Magna Carta allocated to revenue (£0.3m) and capital (£0.7m).
- A.4.38. Health and wellbeing with a gross budget of £0.7m transferred into the Chief Executive's Office from Adult Social Care during 2013/14 along with associated government grant funding of £0.5m.
- A.4.39. The roll out of superfast broadband continues across the county with a capital budget of £9.8m within 2014/15 to finish installing within those areas not covered by a commercial installation.
- A.4.40. The Assistant Chief Executive, Susie Kemp, took on responsibility for Public Health during 2013/14 and this is now being reported as part of the Chief Executive's Office.



## Public Health

- A.4.41. The Health and Social Care Act 2012 transferred substantial public health duties to local authorities from 2013/14, funded by a ring-fenced specific grant based on estimates of historic spending from NHS Surrey. The budget is drafted in accordance with the 2014/ 15 £25.6m grant allocation. This is designed to cover all the services that transferred from the PCT, however there remains £3.3m of funding relating to Genito-Urinary Medicine (GUM) Services that were incorrectly excluded from the grant and we are therefore looking to recover this separately. Discussions will proceed on this basis, and a balanced budget position will be finalised within the resources available.
- A.4.42. The budget plan assumes that savings will be made to the benefit of the council as a whole, by funding services which meet the Public Health Outcomes Framework in other directorates.
- A.4.43. A further national risk also needs to be noted. It has emerged during the first year of public health responsibility that there is some ambiguity over whether local authorities have been appropriately funded for their responsibilities to pay prescription charges relating to public health services. This risk is estimated to be around £2m. The budget has been prepared assuming appropriate funding will be granted by the government, should charges for this be made to the council.
- A.4.44. In the medium term the expected 10% growth in funding each year should enable us to deal with volume and price issues, whilst recognising that there is a growing demand for public health services and that there has been historic underfunding of public health services in Surrey which needs to be rectified.
- A.4.45. For 2014/15 the budget will fund the council's in undertaking the five mandatory requirements from the Health and Social Care Act 2012:
- commissioning appropriate access to sexual health services
  - commissioning the NHS Health Check programme
  - commissioning the national child measurement programme
  - ensuring that plans are in place to protect the population's health
  - ensuring NHS commissioners receive the public health advice they need
- A.4.46. In addition 15 non-mandatory services continue to be commissioned guided by local needs such as stop smoking, drug and alcohol misuse services, obesity initiatives and accidental injury prevention as outlined in the Health and Social Care Act 2012.
- A.4.47. In 2015 responsibility for some health services for children under the age of 5 will transfer to Local Authorities including health visiting, the healthy child programme and family nurse partnership. The expectation is that the NHS budget currently allocated to these services will come to Local Authorities. A newly formed transition group is progressing this transfer.

**Chief Executive's Office (incorporating Public Health)****Draft Income & Expenditure category summary**

|  | MTFP            |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2013/14         | 2014/15         | 2015/16         | 2016/17         | 2017/18         | 2018/19         |
|  | £000s           | £000s           | £000s           | £000s           | £000s           | £000s           |
| <b>Funding</b>   |                 |                 |                 |                 |                 |                 |
| UK Government grants   | (23,936)        | (28,929)        | (30,985)        | (32,796)        | (34,889)        | (38,291)        |
| Fees & charges   | (196)           | (209)           | (213)           | (218)           | (222)           | (227)           |
| Joint working income   | (21)            | (22)            | (22)            | (23)            | (23)            | (24)            |
| Reimbursements and recovery of costs                                     | (3,469)         | (413)           | (420)           | (427)           | (435)           | (444)           |
| <b>Total funding</b>   | <b>(27,622)</b> | <b>(29,573)</b> | <b>(31,640)</b> | <b>(33,464)</b> | <b>(35,569)</b> | <b>(38,986)</b> |
| <b>Expenditure</b>   |                 |                 |                 |                 |                 |                 |
| Service staffing   | 12,934          | 12,764          | 13,179          | 13,398          | 13,629          | 13,856          |
| Service non-staffing   | 30,114          | 31,166          | 32,576          | 34,431          | 38,071          | 40,020          |
| <b>Total expenditure</b>   | <b>43,048</b>   | <b>43,930</b>   | <b>45,755</b>   | <b>47,829</b>   | <b>51,700</b>   | <b>53,875</b>   |
| <b>Net budget supported by Council Tax and general government grants</b> | <b>15,426</b>   | <b>14,357</b>   | <b>14,115</b>   | <b>14,365</b>   | <b>16,131</b>   | <b>14,889</b>   |

**Draft service summary**

|   | 2013/14       | 2014/15       | 2015/16       | 2016/17       | 2017/18       | 2018/19       |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | £000s         | £000s         | £000s         | £000s         | £000s         | £000s         |
| Funding   | (27,622)      | (29,573)      | (31,640)      | (33,464)      | (35,569)      | (38,986)      |
| <b>Expenditure by service:</b>                                |               |               |               |               |               |               |
| Strategic Leadership  | 472           | 444           | 445           | 447           | 447           | 449           |
| Emergency Management  | 499           | 531           | 541           | 549           | 560           | 570           |
| Communications  | 1,892         | 1,820         | 1,851         | 1,883         | 1,917         | 1,950         |
| Legal & Democratic Services                                   | 9,899         | 8,543         | 8,513         | 8,677         | 10,353        | 9,022         |
| Policy & Performance  | 3,292         | 3,931         | 3,988         | 4,045         | 4,102         | 4,161         |
| Magna Carta   | 0             | 300           | 0             | 0             | 0             | 0             |
| Public Health   | 26,994        | 28,361        | 30,417        | 32,228        | 34,321        | 37,723        |
|   | <b>43,048</b> | <b>43,930</b> | <b>45,755</b> | <b>47,829</b> | <b>51,700</b> | <b>53,875</b> |
| <b>Chief Executive's Office (incorporating Public health)</b> | <b>15,426</b> | <b>14,357</b> | <b>14,115</b> | <b>14,365</b> | <b>16,131</b> | <b>14,889</b> |

**Undistributed to directorate****Income & Expenditure category summary**

|  | 2013/14 | 2014/15 | 2015/16  | 2016/17  | 2017/18  | 2018/19  |
|--|---------|---------|----------|----------|----------|----------|
|  | £000s   | £000s   | £000s    | £000s    | £000s    | £000s    |
| <b>Funding</b>   |         |         |          |          |          |          |
| <b>Total funding</b>   | 0       | 0       | 0        | 0        | 0        | 0        |
| <b>Expenditure</b>   |         |         |          |          |          |          |
| Service non-staffing   |         |         | (10,000) | (16,669) | (29,455) | (50,718) |
| <b>Total expenditure</b>   | 0       | 0       | (10,000) | (16,669) | (29,455) | (50,718) |
| <b>Net Budget supported by Council Tax and general government grants</b> | 0       | 0       | (10,000) | (16,669) | (29,455) | (50,718) |

**Draft service summary**

|                                       | 2013/14 | 2014/15 | 2015/16  | 2016/17  | 2017/18  | 2018/19  |
|---------------------------------------|---------|---------|----------|----------|----------|----------|
|                                       | £000s   | £000s   | £000s    | £000s    | £000s    | £000s    |
| Public Service Transformation Network |         |         | (10,000) | (10,000) | (10,000) | (10,000) |
| Additional Savings                    |         |         |          | (6,669)  | (19,455) | (40,718) |
|                                       |         |         | (10,000) | (16,669) | (29,455) | (50,718) |

**Central Income & Expenditure****Strategic Director: Julie Fisher****Deputy Chief Finance Officer: Kevin Kilburn****Financial commentary**

A.4.48. The Central Income and Expenditure budget provides for items of income and expenditure that are not directly related to service provision, or are as a result of past decisions. This budget supports the council's corporate priorities by providing the resources to ensure the provision of the council's capital programme and a sound financial standing both now and in the future.

A.4.49. The gross expenditure under this budget has reduced by £9.2m to £59.8m for the 2014/15 financial year. A significant part of this reduction, £8m, is in relation to the risk contingency budget. Over recent years the council has held a risk contingency budget to cover for savings and reductions not being made in full. The risk contingency budget has not had to be used despite the Council achieving nearly £200m of savings since 2010. As a result of a review of the appropriate level of contingency, this budget has been reduced in 2014-15 to £5m and has been removed thereafter completely. Any failure to make savings in future years will have to be met by reductions elsewhere.

A.4.50. In 2013/14 the budget included £1m in relation to the estimated cost of auto-enrolment of employees to the Pension Fund. The costs materialising from this have been less than originally estimated and so this £1m has been removed from the 2014/15 budget. The service revenue budgets reflect the cost to the Council of employees participating in the pension fund.

A.4.51. These reductions are partially offset by increases in relation to two pressures. The first is the revenue financing of the council's capital programme, and the second is the impact of the triennial actuarial review of the pension fund. This review was completed during 2013/14 and will increase the employer contributions by £2.5m from 2014/15.

A.4.52. For the remainder of the five year plan the central income and expenditure budgets increases to -£800m due mainly to the revenue financing of the council's capital programme alongside reductions in the anticipated levels of Government Funding.

## Central Income and Expenditure

### Draft Income & Expenditure category summary

|   | MTFP             |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2013/14          | 2014/15          | 2015/16          | 2016/17          | 2017/18          | 2018/19          |
|   | £000s            | £000s            | £000s            | £000s            | £000s            | £000s            |
| <b>Funding</b>                          |                  |                  |                  |                  |                  |                  |
| Local taxation - Council Tax            | (550,420)        | (571,343)        | (578,083)        | (592,517)        | (607,297)        | (622,469)        |
| Local taxation - Business Rates         | (43,863)         | (45,525)         | (47,165)         | (48,917)         | (50,834)         | (52,876)         |
| UK Government grants                    | (245,982)        | (225,942)        | (227,278)        | (228,778)        | (226,138)        | (223,092)        |
| Income from investment                  | (578)            | (522)            | (450)            | (344)            | (5,235)          | (5,191)          |
| <b>Total funding</b>                    | <b>(840,843)</b> | <b>(843,332)</b> | <b>(852,976)</b> | <b>(870,556)</b> | <b>(889,504)</b> | <b>(903,628)</b> |
| <b>Expenditure</b>                      |                  |                  |                  |                  |                  |                  |
| Service staffing                        | 426              | 447              | 324              | 298              | 298              | 298              |
| Service non-staffing                    | 68,615           | 63,163           | 56,173           | 63,827           | 63,621           | 63,856           |
| <b>Total expenditure</b>                | <b>69,041</b>    | <b>63,610</b>    | <b>56,497</b>    | <b>64,125</b>    | <b>63,919</b>    | <b>64,154</b>    |
| <b>Net budget supported by reserves</b> | <b>(771,802)</b> | <b>(779,722)</b> | <b>(796,479)</b> | <b>(806,431)</b> | <b>(825,585)</b> | <b>(839,474)</b> |

### Draft service summary

|                                       | 2013/14          | 2014/15          | 2015/16          | 2016/17          | 2017/18          | 2018/19          |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                       | £000s            | £000s            | £000s            | £000s            | £000s            | £000s            |
| Funding                               | (840,843)        | (843,332)        | (852,976)        | (870,556)        | (889,504)        | (903,628)        |
| <b>Expenditure by service</b>         |                  |                  |                  |                  |                  |                  |
| Protected Salaries & Relocation       | 426              | 447              | 324              | 298              | 298              | 298              |
| Pensions Back-funding                 | 8,606            | 11,139           | 11,332           | 11,529           | 11,731           | 11,938           |
| Redundancy & Compensation             | 4,360            | 5,749            | 3,919            | 3,739            | 2,738            | 2,731            |
| Impact of NI Changes                  |                  |                  |                  | 6,000            | 6,000            | 6,000            |
| Corporate initiatives                 |                  | 250              | -500             | -1,000           | -1,000           | -1,000           |
| Risk Contingency                      | 13,000           | 5,000            |                  |                  |                  |                  |
| Changes to Pension Fund Contributions | 1,000            |                  |                  |                  |                  |                  |
| Land Drainage Precept                 | 1,071            | 1,098            | 1,125            | 1,153            | 1,182            | 1,212            |
| Contributions to/from reserves        | 3,597            | 3,338            | -279             | -1,083           | -656             | -637             |
| Interest Payable                      | 15,942           | 14,762           | 15,895           | 17,782           | 17,739           | 17,701           |
| Minimum Revenue Provision             | 21,039           | 21,827           | 24,680           | 25,707           | 25,887           | 25,911           |
|                                       | <b>69,041</b>    | <b>63,610</b>    | <b>56,497</b>    | <b>64,125</b>    | <b>63,919</b>    | <b>64,154</b>    |
| <b>Central Income and Expenditure</b> | <b>(771,802)</b> | <b>(779,722)</b> | <b>(796,479)</b> | <b>(806,431)</b> | <b>(825,585)</b> | <b>(839,474)</b> |

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