

2013 – 18 Revenue budgets

A.3.1. This appendix contains the overall budget position for the council, then by category. Each budget is prefaced by a commentary outlining the 13/14 budget position, future issues affecting the directorate over the subsequent four years and how the directorate is going to manage the situation

A.3.2. The categories are in order:

- Adults Social Care
- Children, Schools & Families with Delegated Schools
- Customer & Communities
- Environment & Infrastructure
- Public Health (New for 13/14)
- Change and Efficiency
- Chief Executive Office
- Central Income & Expenditure

A.3.3. The revenue budgets have been rebased on the funding reporting strategy workstream recommendation from a Net Revenue expenditure position to a gross revenue expenditure position. 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). However, to allow comparison with past years, both presentations of the budget are shown.

A.3.4. This appendix outlines the draft 2013/18 revenue budget by:

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

Surrey County Council**Chief Executive Officer: David McNulty****Chief Finance Officer and Deputy Strategic Director for Change & Efficiency: Sheila Little**

Draft Income & Expenditure category	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding						
Local taxation - Council Tax	(580,026)	(550,420)	(571,834)	(585,935)	(603,536)	(621,646)
Local taxation - Business rates surplus	0	(43,863)	(45,208)	(46,655)	(47,821)	(49,303)
Local taxation	(580,026)	(594,283)	(617,042)	(632,590)	(651,357)	(670,949)
UK Government grants	(915,935)	(923,039)	(907,094)	(902,948)	(903,232)	(904,361)
Other bodies grants	(13,170)	(17,219)	(17,274)	(17,330)	(17,388)	(17,446)
Fees & charges	(74,671)	(79,355)	(80,083)	(81,089)	(82,117)	(82,342)
Property income	(3,880)	(4,125)	(4,387)	(4,483)	(4,582)	(4,683)
Income from investment	(992)	(594)	(222)	(97)	(44)	(5,166)
Joint working income	(12,232)	(15,739)	(15,940)	(16,107)	(16,254)	(16,401)
Reimbursements and recovery of costs	(27,340)	(25,905)	(20,917)	(22,003)	(22,491)	(22,872)
Total funding	(1,628,246)	(1,660,259)	(1,662,959)	(1,676,647)	(1,697,465)	(1,724,219)
Expenditure						
Service staffing	297,569	302,531	306,476	307,003	310,566	314,330
Service non-staffing	828,660	858,838	840,455	855,616	872,871	895,861
Schools - net expenditure	518,856	521,855	516,028	514,028	514,028	514,028
Total expenditure	1,645,085	1,683,224	1,662,959	1,676,647	1,697,465	1,724,219
less non government grant income	(132,285)	(142,937)	(138,823)	(141,109)	(142,876)	(148,910)
Revenue budget	1,512,800	1,540,287	1,524,145	1,535,547	1,554,599	1,575,320
less specific grant and local taxation income	(1,495,961)	(1,517,323)	(1,524,145)	(1,535,547)	(1,554,599)	(1,575,320)
Funded by reserves	16,839	22,965	0	0	0	0

Income & Expenditure by Category

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding	(1,628,246)	(1,660,259)	(1,662,959)	(1,676,647)	(1,697,465)	(1,724,219)
Budgets						
Adults Social Care	390,632	403,061	414,110	431,292	449,262	473,389
Children, Schools & Families	325,529	324,761	333,871	339,057	336,990	345,790
Schools Delegated Budgets	518,856	521,855	516,028	514,028	514,028	514,028
Customer & Communities	83,976	82,876	85,218	88,008	87,310	89,674
Environment & Infrastructure	135,526	142,804	145,643	143,298	146,751	150,776
Public Health		26,537	29,191	32,110	35,321	38,853
Change & Efficiency	96,704	96,219	97,491	98,039	101,030	104,305
Chief Executive Office	14,311	16,054	14,852	14,350	14,661	14,980
Policy Initiatives	1,508					
Central Income & Expenditure	78,044	69,057	73,152	70,419	74,451	72,297
Additional savings			-46,597	-53,954	-62,339	-79,873
Total	1,645,086	1,683,224	1,662,959	1,676,647	1,697,465	1,724,219
Funded by reserves savings	16,840	22,965	0	0	0	0

Government Grants

13/14 Grants	ASC £'000s	CSF £'000s	Schools £'000s	C&C £'000s	E&I £'000s	PH £'000s	CAE £'000s	CIE £'000s	13/14 £'000s
Core funding									
Business Rates Retention								210,276	210,276
Dedicated School Grant		107,618	482,177					3,991	593,786
Dedicated School Grant - 12/13 c/f		1,119	5,827						6,946
Total Dedicated schools grant	0	108,737	488,004	0	0	0	0	3,991	600,732
ACL, Skills Funding Agency				2,446					2,446
Area of ONB					137				137
Asylum Seekers		1,640							1,640
Education Funding Agency (YPLA)			19,331						19,331
Pupil Premium		529	14,520						15,049
Bikeability					240				240
Community right to challenge (£9,000)								9	9
Education Support Grant								16,600	16,600
Extended rights to travel		567			268				835
Fire pensions				6,769					6,769
Fire revenue grant				379					379
GUM services									0
Lead local flood authority						375			375
Local Reform and Community Voices									
Dept Health revenue grant	700								700
Local Sustainable Transp. Fund (large bid)					1,725				1,725
Local Sustainable Transp. Fund (std)					750				750
Music Grant				1,043					1,043
New Homes Bonus								2,825	2,825
New Homes Bonus - top slice								855	855
PFI								11,900	11,900
Public health						23,237			23,237
Registration Deaths				21					21
Right to Control	165								165
SEN Pathfinder		165							165
Social fund (incl. Administration)							1,162		1,162
South East Protected Landscape grant					33				33
Troubled Families		879							879
Youth Justice Board		896							896
Total other grants	865	4,676	33,851	10,658	3,528	23,237	1,162	32,189	110,166
13/14 UK Government grants	865	113,413	521,855	10,658	3,528	23,237	1,162	246,456	921,174
From the Balance Sheet:									
Social Care Reform grant	1,865								1,865
Total UK Government grants	2,730	113,413	521,855	10,658	3,528	23,237	1,162	246,456	923,039

Adults Social Care**Strategic Director: Sarah Mitchell****Strategic Finance Manager: Paul Carey-Kent**

- A.3.5. The Directorate faces pressures of £182m (£186m of movements, some of which are covered by new external funding) over the five year planning period, due mainly to the expected impact of increased numbers of people receiving services (£97m), inflation (£47m), the need to replace one-off savings (£15m) and a prudent view being taken of the possibility of a funding shortfall arising from the Government's planned implementation of reforms following on from the Dilnot Report (£20m). In that context, ASC is grateful for the additional corporate support proposed in 2013-14, which would reduce the savings requirement from £57m (were savings required to match all the pressures identified) to £44.5m in the first year of the strategy. The position remains extremely challenging, as the savings needed in 2013/14 are significantly greater than those required by the previous three years' budgets (£32m + £28m + £28m). However, the Directorate's success in 2010-13 does indicate that substantial savings can be made while the Directorate's performance continues to improve.
- A.3.6. In practice, the main impact of the savings actions planned should be to reduce the effect of those pressures. A whole suite of measures is in place designed to prevent the cost and intensity of care needs from rising: to re-able those who do require help so that long term care is not needed; to review existing packages to ensure that the most cost-effective and personalised care is in place; to minimise the cost of new packages by applying personalisation in a more creative way; and to make the best of partnership working to reduce the Council's costs. Given the scale of the challenge, sharp monitoring mechanisms are being developed at locality and county levels to help see these actions through. It is hoped that inflation can be minimised (as it has been in 2010-13) by developing joint commissioning approaches with our contracting partners. It is also critical to work closely with the NHS to obtain best value from the new structures which come into place from 1 April 2013.
- A.3.7. Overall then, it is expected that spending will be considerably less than it would have been had no such actions been in place. Plans will continue to be overseen by an Implementation Board including a wide range of partner organisations and jointly chaired by the Cabinet Member for Adult Social Care and the Chairman of the Surrey Coalition, a consultative approach which has worked well to date.

Adults Social Care**Draft Income & Expenditure category summary**

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding						
UK Government grants	0	(2,730)	(700)	(700)	(700)	(700)
Other bodies grants	(10,161)	(14,297)	(14,297)	(14,297)	(14,297)	(14,297)
Fees & charges	(37,800)	(37,800)	(37,800)	(37,800)	(37,800)	(37,800)
Property income:	0	0	0	0	0	0
Income from investment	0	0	0	0	0	0
Joint working income	(9,361)	(8,439)	(8,439)	(8,439)	(8,439)	(8,439)
Reimbursements and recovery of costs	(1,806)	(1,806)	(1,806)	(1,806)	(1,806)	(1,806)
Total funding	(59,128)	(65,072)	(63,042)	(63,042)	(63,042)	(63,042)
Expenditure						
Service staffing	71,943	73,765	74,072	73,695	73,301	73,167
Service non-staffing	318,689	329,296	340,038	357,597	375,961	400,222
Schools - net expenditure	0	0	0	0	0	0
Total expenditure	390,632	403,061	414,110	431,292	449,262	473,389
Less non government grant income	(59,128)	(62,342)	(62,342)	(62,342)	(62,342)	(62,342)
Revenue budget	331,504	340,719	351,768	368,950	386,920	411,047
Less specific grant income	0	(2,730)	(700)	(700)	(700)	(700)
Net Budget supported by Council Tax and general government grants	331,504	337,989	351,068	368,250	386,220	410,347

Draft service summary

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding	(59,128)	(65,072)	(63,042)	(63,042)	(63,042)	(63,042)
Expenditure by service:						
Personal Care & Support	291,294	297,980	308,221	325,315	343,196	366,724
Service Delivery	20,256	20,499	20,996	20,598	20,194	19,794
Transformation	2,167	3,135	3,034	3,099	3,162	3,227
Commissioning	75,258	78,753	79,113	79,482	79,860	80,742
Strategic Director	1,657	2,694	2,746	2,798	2,850	2,902
	390,632	403,061	414,110	431,292	449,262	473,389
Adults Social Care	331,504	337,989	351,068	368,250	386,220	410,347

Children, Schools & Families and Delegated Schools

Strategic Director: Nick Wilson

Strategic Finance Manager: Paula Chowdhury

Budget 2013/14

A.3.8. The base revenue expenditure budget for the Children, Schools and Families Directorate in 2012/13 is £289m and in 2013/14 the proposed budget is £288m, giving an overall net reduction of £1m.

A.3.9. This overall budget for 2013/14 includes increased funding of £19.1m for service pressures:

- £10.4m newly defined service requirements for the Directorate eg nursery provision for two year olds; Lifelong Learners with Disabilities and Difficulties (LLDD) transfer and a more defined role for local authorities around school improvement responsibilities.
- £4.1m around specific demand led service pressures, particularly the increase in numbers of children subject to a child protection plan and requiring services. These numbers have increased by 47% since the start of 2011 and have been a significant budget pressure throughout 2012/13, despite the unit costs reducing. The other demand led budgets affected by increasing demographics is around Special Educational Needs.
- £4.6m for general inflation, pay inflation, adjustment of carry forward funding and general demographic growth.

A.3.10. The Directorate also has included in their budget a savings target for 2013/14 of £9.7m. This has been allocated to each of the individual services – Schools and Learning £7m; Children’s Services £2.2m and Services for Young People £0.5m.

A.3.11. The 2013/14 Directorate budget of £288m also includes funding reductions of £10.9m, which are mainly as a result of Dedicated Schools Grant delegation of budgets from being centrally managed to schools, plus other grant changes.

A.3.12. The schools delegated base revenue budget in 2012/13 is £519m and in 2013/14 is proposed at £522m. The total Children, Schools and Families budget for 2013/14 is £810m, compared to £808m in 2012/13.

Medium Term Financial Plan 2013-18

A.3.13. Over the five year period of the MTFP, the Directorate is anticipating budget pressures to continue around increasing child protection numbers, increasing pressure on demand led budgets and general demographic increases. Service pressures will be exacerbated as the welfare reforms are introduced and potentially more vulnerable families go into crisis.

A.3.14. School improvement is becoming an increasing issue for local authorities despite the overall funding reducing. In the new framework the old category of "satisfactory" has been replaced by a new designation of "requires improvement". The implication of this is that Surrey now needs to support around 100 schools in making urgent improvements rather than the current 15-20. This is a very significant increase in work and funding of £1.9m has been requested as part of the budget proposals.

A.3.15. The Directorate has made savings of over £41m over the last three years whilst facing the challenge of a further £29m 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. 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 will be 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.

Draft Income & Expenditure category summary

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding						
Dedicated Schools Grant	(108,721)	(108,737)	(106,237)	(106,237)	(106,237)	(106,237)
Other UK Government grants	(6,498)	(4,676)	(4,441)	(3,797)	(3,797)	(3,797)
Fees & charges	(27,241)	(27,692)	(28,191)	(28,981)	(29,787)	(29,787)
Property income						
Income from investment						
Joint working income						
Reimbursements and recovery of costs	(8,939)	(9,165)	(9,415)	(9,415)	(9,415)	(9,415)
Total funding	(151,399)	(150,270)	(148,284)	(148,430)	(149,236)	(149,236)
Expenditure						
Service staffing	100,561	102,451	104,495	104,404	106,530	108,730
Service non-staffing	224,968	222,310	229,376	234,653	230,460	237,060
Schools - net expenditure						
Total expenditure	325,529	324,761	333,871	339,057	336,990	345,790
Less non government grant income	(36,180)	(36,857)	(37,606)	(38,396)	(39,202)	(39,202)
Revenue budget	289,349	287,904	296,265	300,661	297,788	306,588
Less specific grant income	(115,219)	(113,413)	(110,678)	(110,034)	(110,034)	(110,034)
Net Budget supported by Council Tax and general government grants	174,130	174,491	185,587	190,627	187,754	196,554

Draft service summary

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding	(151,399)	(150,270)	(148,284)	(148,430)	(149,236)	(149,236)
Expenditure by service:						
Children's Service	83,217	86,338	91,089	93,971	95,881	98,373
Schools & Learning	219,640	214,579	219,237	223,722	227,774	233,615
Services for Young People	17,797	20,652	20,547	18,969	15,397	15,815
Strategy & Central Resources	4,875	3,192	2,998	2,395	-2,062	-2,013
	325,529	324,761	333,871	339,057	336,990	345,790
Children, Schools & Families	174,130	174,491	185,587	190,627	187,754	196,554

Delegated Schools**Income & Expenditure category summary**

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
<u>Funding</u>						
UK Government grants	(518,856)	(521,855)	(516,028)	(514,028)	(514,028)	(514,028)
Total funding	(518,856)	(521,855)	(516,028)	(514,028)	(514,028)	(514,028)
<u>Expenditure</u>						
Schools - net expenditure	518,856	521,855	516,028	514,028	514,028	514,028
Total expenditure	518,856	521,855	516,028	514,028	514,028	514,028
Net Budget supported by Council Tax and general government grants	0	0	0	0	0	0

Customer & Communities**Strategic Director: Yvonne Rees****Strategic Finance Manager: Susan Smyth**

- A.3.16. The Directorate faces pressures of £8.5m over the five year planning period, predominately due to expected inflation of £7.5m which need to be covered by efficiency actions. There are no significant volume changes expected. In addition there are expected increases in grant funded Fire pension expenditure of £3.5m. Savings of £4.1m are planned over the five year period.
- A.3.17. The Fire Service is continuing to implement the Public Safety Plan on a phased basis and the budget has been rebased upon an improved understanding of service pressures and changes to the timing at which savings are assessed as achievable, and to also reflect expected grant funded Fire pension increases. In response to the West Sussex withdrawal from Horley Fire Station, £0.13m has been included to allow for a temporary solution pending the results of the consultation on fire cover within the area. A one off allocation of £0.4m for the innovative contingency crewing pilot and funding of £0.4m over two years for interim arrangements to facilitate property rationalisations have also been added. There are planned savings of £2.4m resulting from property rationalisations linked to capital investment, £0.5m from implementing staff agency arrangements and additional income generation of £0.7m. Contributions to the Fire Vehicle and Equipment Replacement Reserve reduce by £2.0m over a four year period, as a result of expenditure being funded by government grant, which has helped to fund overall pressures.
- A.3.18. Across the rest of Customers and Communities, planned savings and increased income of £1.3m from the previous MTFP remain on track as planned. Additional budget of £0.4m has been added to fund a team to aid economic growth building upon the Olympic Legacy. The Community Infrastructure Fund, used to award grants to community groups has been increased by £0.3m in 2013/14.

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

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding						
UK Government grants	(10,727)	(10,658)	(12,274)	(14,900)	(13,284)	(14,512)
Other bodies grants	(3,009)	(2,922)	(2,977)	(3,033)	(3,091)	(3,149)
Fees & charges:	(9,273)	(9,135)	(9,230)	(9,325)	(9,422)	(9,519)
Property income:						
Income from investment						
Joint working income		(280)	(283)	(286)	(289)	(292)
Reimbursements and recovery of costs	(1,114)	(531)	(554)	(791)	(1,063)	(1,223)
Total funding	(24,123)	(23,526)	(25,318)	(28,335)	(27,149)	(28,695)
Expenditure						
Service staffing	57,043	57,323	58,350	58,310	58,943	59,358
Service non-staffing	26,933	25,553	26,868	29,698	28,367	30,316
Schools - net expenditure						
Total expenditure	83,976	82,876	85,218	88,008	87,310	89,674
Less non government grant income	(13,396)	(12,868)	(13,044)	(13,435)	(13,865)	(14,183)
Revenue budget	70,580	70,008	72,174	74,573	73,445	75,491
Less specific grant income	(10,727)	(10,658)	(12,274)	(14,900)	(13,284)	(14,512)
Net Budget supported by Council Tax and general government grants	59,853	59,350	59,900	59,673	60,161	60,979

Draft service summary

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding	(24,123)	(23,526)	(25,318)	(28,335)	(27,149)	(28,695)
Expenditure by service:						
Fire Service	45,428	45,751	47,716	49,780	48,332	49,932
Cultural Services	24,932	24,992	25,502	25,999	26,515	27,042
Customer Services	4,159	4,010	4,088	4,172	4,257	4,341
Trading Standards	2,540	2,480	2,531	2,581	2,633	2,687
Community Partnership & Safety	2,758	3,476	3,277	3,330	3,384	3,440
Directorate Support	4,159	2,167	2,104	2,146	2,189	2,232
	83,976	82,876	85,218	88,008	87,310	89,674
Customer & Communities	59,853	59,350	59,900	59,673	60,161	60,979

Environment & Infrastructure**Strategic Director: Trevor Pugh****Strategic Finance Manager: Tony Orzieri****2013/14 budget**

A.3.19. Environment & Infrastructure faces pressures and growth of £5.7m in 2013/14 (net of funding changes), primarily inflation of £4.8m across all budgets including waste disposal, highways and local bus contracts. Two additional pressures are anticipated – the cost of replacing bus services previously operated by Countryliner (£0.3m) and costs of operating the concessionary fares travel scheme for the elderly and disabled (£0.3m) due to increased patronage and fares.

A.3.20. These pressures are offset by planned savings of £6.2m in 2013/14 (in addition to £10.6m expected to be made in 2012/13). These include savings from the ongoing “one team” organisational review (£1m), contract reviews (£0.8m), waste disposal (£0.6m) and savings from PVRs and the bus review (£0.4m). In addition a number of one-off savings will be made in 2013/14 while medium term strategies for delivering further sustainable savings are developed. These one off savings include use of accumulated parking income of £2.6m and other one off reductions to spend of £0.6m which includes ensuring that one-off grants are fully utilised against planned expenditure and that the Surrey Growth Fund budget remains at the level budgeted in the current year (2012/13). Where possible the impacts of these reductions will be mitigated through the use of income or developer money.

2013-18 budget

A.3.21. Over the 5 year period to 2017/18 Environment & Infrastructure faces pressures and growth of £19m, primarily inflation of £24m across the Directorate, offset by the reversal of one-off or time-limited grant expenditure and prior year funding. Work is ongoing to finalise the waste disposal contract variation and to take account of waste volume changes, and at this stage financial impacts are unclear and are therefore not reflected in this budget.

A.3.22. Over the same period savings of £7.6m are planned, plus one-off savings of £3.2m during 2013/14 explained above. Savings in Highways will rise to £3.5m by 2017/18 through efficiencies and additional income (including collaboration with SE7 partners, reducing insurance risks, improved management and recycling of waste materials, moving from reactive to planned maintenance). Environment will make savings of £1.7m by 2017/18 including by extracting value from recycled materials, reducing reliance on specialist advisors, reducing spend on waste minimisation and reviewing and reducing countryside expenditure. Savings will also be made through the one team organisational review (£1.8m) and review of bus services (£0.3m) and contract costs (£0.4m).

A.3.23. Further waste disposal efficiencies are planned in the medium term, 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.

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

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
<u>Funding</u>						
UK Government grants	(1,033)	(3,528)	(3,692)	(1,053)	(1,053)	(1,053)
Other bodies grants						
Fees & charges		(4,396)	(4,522)	(4,636)	(4,753)	(4,874)
Property income						
Income from investment						
Joint working income		(4,037)	(4,122)	(4,213)	(4,306)	(4,400)
Reimbursements and recovery of costs	(9,944)	(5,448)	(3,245)	(3,819)	(3,906)	(3,994)
Total funding	(10,977)	(17,409)	(15,581)	(13,721)	(14,018)	(14,321)
<u>Expenditure</u>						
Service staffing	22,355	21,203	21,132	21,181	21,487	21,917
Service non-staffing	113,171	121,601	124,511	122,117	125,264	128,859
Schools - net expenditure						
Total expenditure	135,526	142,804	145,643	143,298	146,751	150,776
Less non government grant income	(9,944)	(13,881)	(11,889)	(12,668)	(12,965)	(13,268)
Revenue budget	125,582	128,923	133,754	130,630	133,786	137,508
Less specific grant income	(1,033)	(3,528)	(3,692)	(1,053)	(1,053)	(1,053)
Net Budget supported by Council Tax and general government grants	124,549	125,395	130,062	129,577	132,733	136,455

Draft service summary

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding	(10,977)	(17,409)	(15,581)	(13,721)	(14,018)	(14,321)
<u>Expenditure by service:</u>						
Environment	61,024	64,301	64,834	62,231	62,479	64,336
Highways	47,892	49,303	50,747	53,159	55,353	56,628
Economy, Transport & Planning	26,264	29,855	30,313	28,537	29,418	30,319
Directorate costs & savings (to be allocated)	346	-655	-251	-629	-499	-507
	135,526	142,804	145,643	143,298	146,751	150,776
Environment & Infrastructure	124,549	125,395	130,062	129,577	132,733	136,455

Public Health**Director of Public Health: Akeem Ali****Strategic Finance Manager: Paul Carey-Kent**

A.3.24. The Health and Social Care Act 2012 transfers substantial health improvement 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 £23.2m grant allocation. This is designed to cover all the services transferring from the PCT, however the Department of Health have recognised that £3.3m of Genito-Urinary Medicine (GUM) Services have been incorrectly excluded from the grant and we are therefore approaching our local Clinical Commissioning Group (CCG) partners for this funding. Discussions will proceed on this basis, and a balanced budget position will be finalised within the resources available when the outcome is known.

A.3.25. 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.3.26. For 2013/14 and 2014/15 the budget will fund the council's new public health responsibilities including:

- The transfer of specialist public health staff from the NHS to local authorities
- The six mandatory service areas as outlined Health Lives Healthy People (DH,2011):
 1. Commissioning appropriate access to sexual health services
 2. Commissioning the NHS Health Check programme
 3. Commissioning the health child programme 5-19 years
 4. Commissioning the national child measurement programme
 5. Ensuring that plans are in place to protect the population's health
 6. Ensuring NHS commissioners receive the public health advice they need
- Commissioning of 15 discretionary services guided by local needs such as tobacco control, substance misuse services, obesity initiatives and accidental injury prevention as outlined in Health Lives Healthy People (DH, 2011).

A.3.27. In 2015 responsibility for 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 budget currently allocated to these services will come to Local Authorities.

Draft Income & Expenditure category summary

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding						
UK Government grants ¹		(23,237)	(29,191)	(32,110)	(35,321)	(38,853)
Reimbursements and recovery of costs ²		(3,300)				
Total funding		(26,537)	(29,191)	(32,110)	(35,321)	(38,853)
Expenditure						
Service staffing		2,727	2,782	2,838	2,895	2,953
Service non-staffing		23,810	26,409	29,272	32,426	35,900
Total expenditure	0	26,537	29,191	32,110	35,321	38,853
Less non government grant income	0	(3,300)	0	0	0	0
Revenue budget	0	23,237	29,191	32,110	35,321	38,853
Less specific grant income	0	(23,237)	(29,191)	(32,110)	(35,321)	(38,853)
Net Budget supported by Council Tax and general government grants	0	0	0	0	0	0

Draft service summary

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding	0	(26,537)	(29,191)	(32,110)	(35,321)	(38,853)
<u>Expenditure by service:</u>						
Public Health		26,537	29,191	32,110	35,321	38,853
Public Health	0	0	0	0	0	0

Notes:

1. The grant for Public Health has been announced for 2013/14 and 014/15. It is assumed that following current government policy the funding will increase by 10% each year after this.
2. In 2013/14 £3.3m of GUM funding has been allocated to CCG's by the DoH. Public Health will work with local partners in 2013/14 to access this funding and work to adjust the funding for 2014/15

Change and Efficiency**Strategic Director: Julie Fisher****Strategic Finance Manager: Susan Smyth**

A.3.28. Savings of £6.6 m will be delivered over the five years by delivering transformational change. Over the longer term, the Directorate will focus on delivering services and procuring services in partnership to drive efficiencies through economies of scale and securing improved commercial arrangements with suppliers. Partnership working is already helping to achieve savings. The Directorate will continue to develop its business support offer to other organisations, examples include the recent agreement to provide transactional and IT services to East Sussex. The Directorate will also seek to provide professional consultancy services such as human resources and procurement, through to specialised services including treasury and insurance services. Savings will be monitored throughout the year during regular cabinet member briefings and quarterly accountability meetings.

Draft Income & Expenditure category summary

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding						
UK Government grants		(1,162)	(1,145)	(1,145)	(1,145)	(1,145)
Fees & charges	(195)	(197)	(202)	(206)	(211)	(215)
Property income	(3,880)	(4,125)	(4,387)	(4,483)	(4,582)	(4,683)
Joint working income	(2,850)	(2,962)	(3,074)	(3,147)	(3,197)	(3,247)
Reimbursements and recovery of costs	(5,074)	(5,184)	(5,417)	(5,682)	(5,800)	(5,923)
Total funding	(11,999)	(13,630)	(14,225)	(14,663)	(14,935)	(15,213)
Expenditure						
Service staffing	35,817	35,453	35,970	36,687	37,355	38,116
Service non-staffing	60,887	60,766	61,521	61,352	63,675	66,189
Total expenditure	96,704	96,219	97,491	98,039	101,030	104,305
Less non government grant income	(11,999)	(12,468)	(13,080)	(13,518)	(13,790)	(14,068)
Revenue budget	84,705	83,751	84,411	84,521	87,240	90,237
Less specific grant income	0	(1,162)	(1,145)	(1,145)	(1,145)	(1,145)
Net Budget supported by Council Tax and general government grants	84,705	82,589	83,266	83,376	86,095	89,092

Change & Efficiency

Draft service summary	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding	(11,999)	(13,630)	(14,225)	(14,663)	(14,935)	(15,213)
<u>Expenditure by service:</u>						
Property Services	39,997	40,121	40,732	40,483	42,077	43,810
Information Management & Technology	24,415	23,211	23,732	24,216	24,733	25,261
Finance	10,237	10,346	10,782	11,185	11,696	12,250
HR & Organisational Development	11,374	10,905	10,978	11,056	11,286	11,521
Shared Services	5,546	6,654	6,764	6,895	7,032	7,174
Procurement	3,135	3,184	3,246	3,310	3,377	3,444
Transformational Change	2,000	1,798	1,257	894	829	845
	96,704	96,219	97,491	98,039	101,030	104,305
Change & Efficiency	84,705	82,589	83,266	83,376	86,095	89,092

Chief Executive Office**Asst Chief Executive: Susie Kemp****Strategic Finance Manager: Susan Smyth**

A.3.29. The Directorate faces ongoing pressures of £1.7m over the 5 year planning period. This is predominately due to expected inflation of £1.5m, but also £0.4m has been added to the Legal budget to reflect the increased costs due to both the number and complexity of child protection cases. These pressures are offset slightly by the removal of one off budgets in relation to the Superfast broadband project and Jubilee celebrations. A one off increase of £1.5m has been added to the 2013/14 budget to fund the estimated cost of holding County Council elections.

A.3.30. Savings of £1.0m are planned over the five year period. Of this £0.2m was achieved early during 2012/13 and is reflected within the 2013/14 budget. £0.8m is planned for 2015/16 through a reconfiguration of the directorate. This will require a significant change to the operation and design of the directorate.

Draft Income & Expenditure category summary

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding						
UK Government grants						
Other bodies grants						
Fees & charges	(162)	(135)	(138)	(141)	(144)	(147)
Property income:						
Income from investment						
Joint working income	(21)	(21)	(22)	(22)	(23)	(23)
Reimbursements and recovery of costs	(463)	(471)	(480)	(490)	(501)	(511)
Total funding	(646)	(627)	(640)	(653)	(668)	(681)
Expenditure						
Service staffing	8,897	9,183	9,363	9,546	9,737	9,931
Service non-staffing	5,414	6,871	5,489	4,804	4,924	5,049
Schools - net expenditure						
Total expenditure	14,311	16,054	14,852	14,350	14,661	14,980
Less non government grant income	(646)	(627)	(640)	(653)	(668)	(681)
Revenue budget	13,665	15,427	14,212	13,697	13,993	14,299
Less specific grant income	0	0	0	0	0	0
Net budget supported by Council Tax and general government grants	13,665	15,427	14,212	13,697	13,993	14,299

Draft service summary

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Funding	(646)	(627)	(640)	(653)	(668)	(681)
<u>Expenditure by service:</u>						
Chief Executive Office	494	472	481	491	501	511
Re-configuration of CEO Directorate	0	0	0	-800	-800	-800
Emergency Management	521	499	511	519	530	540
Communications	1,883	1,882	1,918	1,961	2,011	2,043
Legal & Democratic	7,836	9,899	8,572	8,740	8,919	9,104
Policy & Performance	3,577	3,302	3,370	3,439	3,500	3,582
	14,311	16,054	14,852	14,350	14,661	14,980
Chief Executive Office	13,665	15,427	14,212	13,697	13,993	14,299

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

- A.3.31. 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 has a sound financial standing both now and in the future. This is achieved through the use of the Risk Contingency budget and the long term stability of the pension fund.
- A.3.32. The gross expenditure under this budget has reduced by £9m to £69m for the 2013/14 financial year. A significant part of this reduction - £11.8m – is due to the planned reversal of one-off budget items included in the 2012/13 budget. These include revenue contribution to the Invest to Save budget, which is now a standalone fund; a one contribution to the capital programme, and contributions to the council's earmarked reserves. In reviewing its treasury management policy, the council has reduced the minimum amount of cash it must hold and the estimated life of its new assets. Overall this has led to a saving of £3.4m.
- A.3.33. On 1 April 2013 council is required by the Pensions Act 2008 to ensure that all its employees are enrolled into one of its pension schemes. Individuals will then be able to voluntarily leave the scheme. Although the number of employees remaining in the scheme cannot be forecast accurately, the council estimates that the cost of this will be around £1m.
- A.3.34. The council holds a risk contingency budget to cover for savings and reductions not being made in full. The 2012-17 MTFP included £8m for the 2013/14 financial year, but with the increased level of savings and greater uncertainty around funding, this is being increased to £13m. This increase will be funded from the Budget Equalisation Reserve.
- A.3.35. For the remainder of the five year plan the central income and expenditure budgets increases to £72m. This increase reflects two significant 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 is estimated to increase the employer contributions by £5m from 2014/15.

Central Income & Expenditure**Draft Income & Expenditure category summary**

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding						
Local taxation - Council Tax	(580,026)	(550,429)	(571,843)	(585,944)	(603,546)	(621,656)
Local taxation - Business Rates		(43,863)	(45,208)	(46,655)	(47,821)	(49,303)
UK Government grants	(270,100)	(246,456)	(233,386)	(228,978)	(227,667)	(224,036)
Other bodies grants						
Fees & Charges:						
Property income:						
Income from investment	(992)	(594)	(222)	(97)	(44)	(5,166)
Joint working income						
Reimbursements and recovery of costs						
Total funding	(851,118)	(841,342)	(850,659)	(861,674)	(879,078)	(900,161)
Expenditure						
Service staffing	953	426	312	342	318	158
Service non-staffing	77,090	68,631	72,840	70,077	74,133	72,138
Schools - net expenditure						
Total expenditure	78,043	69,057	73,152	70,419	74,451	72,296
Less non government grant income	(992)	(594)	(222)	(97)	(44)	(5,166)
Revenue budget	77,051	68,463	72,930	70,322	74,407	67,130
Less specific grant income	(850,126)	(840,748)	(850,437)	(861,577)	(879,034)	(894,995)
Net budget supported by Council Tax and general government grants	(773,075)	(772,285)	(777,507)	(791,255)	(804,627)	(827,865)

Draft service summary

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s
Funding	(851,118)	(841,342)	(850,659)	(861,674)	(879,078)	(900,161)
Expenditure by service						
Protected salaries & relocation	953	426	312	342	318	158
Pensions back funding	8,606	8,606	8,787	8,980	9,178	9,380
Redundancy & compensation	4,781	4,360	3,652	3,831	3,679	2,716
Invest to save	3,800	0	0	0	0	0
Risk contingencies	9,000	13,000	8,000	8,000	8,000	8,000
Changes to pension fund contributions	0	1,000	6,000	6,000	6,000	6,000
Land drainage precept	973	1,047	1,149	1,256	1,369	1,488
Contribution to/from reserves	9,229	3,597	4,183	-668	1,124	-656
Revenue Contribution to Capital Expenditure	2,000	0	0	0	0	0
Interest payable	16,073	15,983	16,944	17,700	19,347	19,386
Minimum Revenue Provision (MRP)	22,628	21,038	24,125	24,978	25,436	25,824
	78,043	69,057	73,152	70,419	74,451	72,296
Central Income and Expenditure	(773,075)	(772,285)	(777,507)	(791,255)	(804,627)	(827,865)

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