

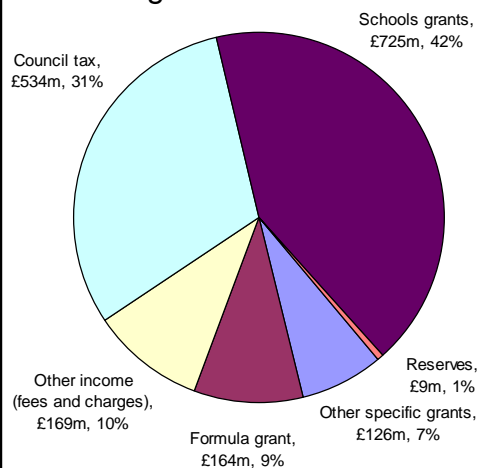
Medium Term Financial Strategy

Environment and Transport Select Committee

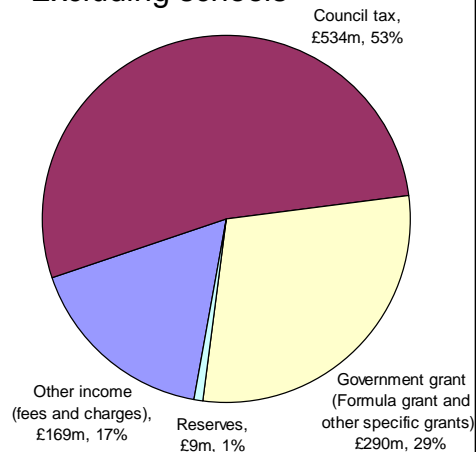
17th January 2012

Where will the money come from in 2012/13?

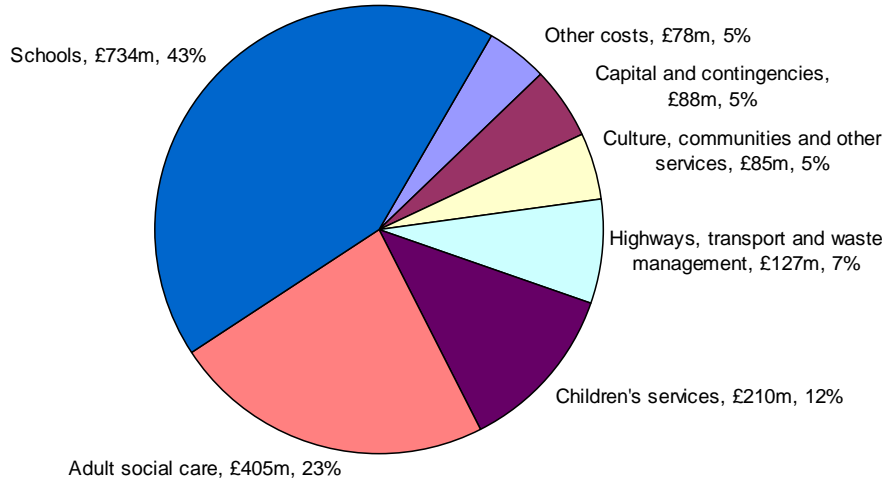
Including schools



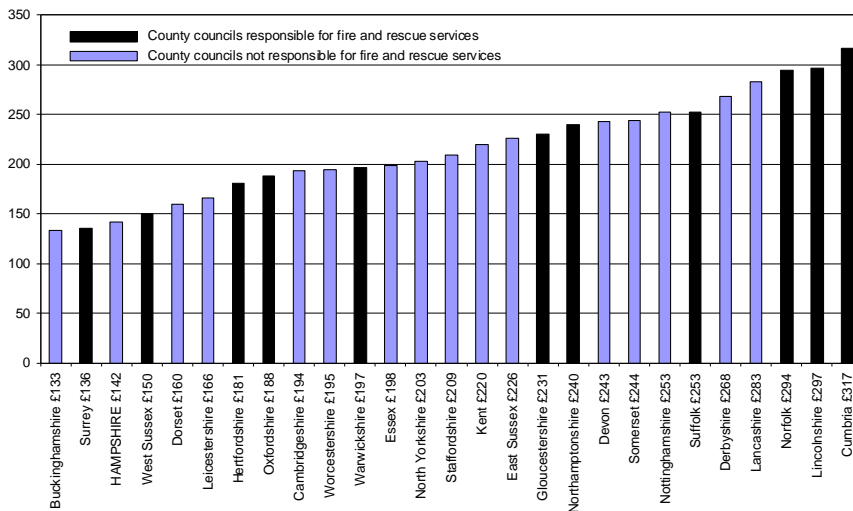
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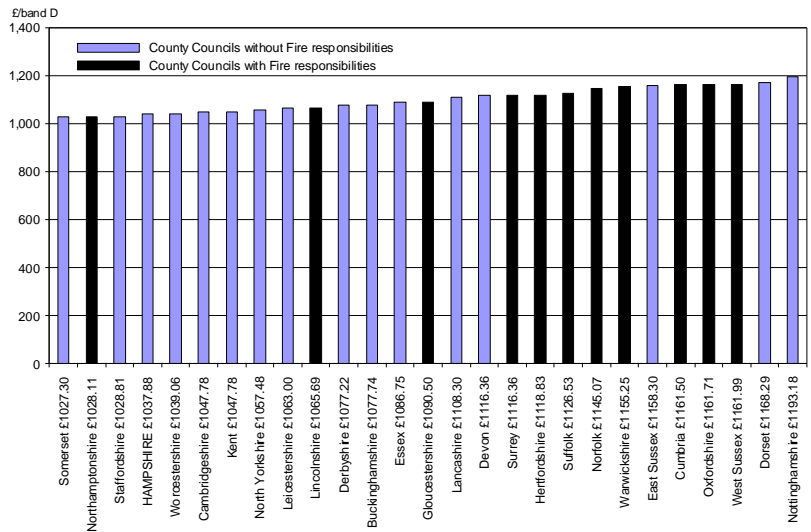
Planned County Council spending on services 2012/13



County Councils' Formula Grant Per Head 2011/12



County Councils' Council Taxes 2011/12



MTFS Key Assumptions

- Council tax level – zero or low

	11/12	12/13	13/14	14/15
Formula Grant Reductions	-14.3%	-10.4%	-9.0%*	-8.0%*
Funding Gap	£55m	£45m	£10m	£10m
Cash Limit Reduction	8%	8%	2%	2%

Council tax freeze

- Initially council tax freeze for 2011/12 only
- grant was 2.5% of the increase in 2010/11 Band D figure multiplied by the latest available tax base figure (2011/12 taxbase confirmed end Jan 2011)
- £13.2 million funding each year until 2014/15 to compensate for income foregone during the 2011/12 freeze
- Further council tax freeze grant for 2012/13 ONLY – no funding in 13/14 onwards therefore one year funding in 2012/13 only

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Savings of 8% in 2011/12

Corporate workstreams	£m
Senior management restructuring	7.9
Recruitment moratorium and support services restructuring	4.4
Communications	1.0
Democratic infrastructure	0.9
Grants	1.2
Inspection and regulation	0.2
Contract negotiations	9.7
Income and charging	0.6
Support and administration	1.0
Business/shared services	0.4
Learning, training and development	0.6
IT cost reduction	0.9
Total corporate workstream savings	28.8
Departmental savings	24.8
Total savings – including £1.3m procurement savings on waste management contract	53.6

Savings of 8% in 2012/13

- Target £45 million
 - Full Year Impact of 2011/12 savings
 - Continuing Efficiency Workstreams
 - Departmental Efficiencies

8% Savings

	£m
Adult Services	(21.2)
Children's - Schools	0.0
Children's - Non Schools	(10.4)
Environment	(6.1)
CCBS	(4.7)
Treasurers	(0.9)
CX	(1.2)
P&R Other	(0.5)
	<hr/>
	(45.0)

Proposed Capital Programmes (as approved Feb 2011)

	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m
Adult Services	0.845	0.481	0.481	0.481
Children's Services	41.030	60.551	40.270	33.558
CCRA	0.756	0.598	0.448	0.448
Environment	45.146	44.845	44.705	42.383
Policy and Resources	36.348	32.738	32.738	32.738
Total	124.125	139.213	118.642	109.608

Capital – Emerging Key Themes

- Children's Services e.g. School Places
- Social Care Transformation e.g. Extra Care
- Information Technology e.g. Broadband
- Strategic Land Development
- Strategic Transport Infrastructure
- Planned Repairs & Maintenance
- Energy
- Flood & Coast Defence

Timetable

January 2012	<ul style="list-style-type: none">• Select Committee and Executive Member consideration of service budget proposals
February 2012	<ul style="list-style-type: none">• Cabinet and County Council approval of 2012/13 budget and council tax

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Economy, Transport & Environment Department

- This section will cover:
- 2011/12 forecast and savings achieved
- 2012/13 savings plan

2011/12 budget monitoring

- In year Planned Savings of £1.9m (1.7% of revised budget) to fund significant costs of change:-
 - Highway Service Co-location project
 - Highways Main IT Business system
 - Household Waste Recycling Centre (HWRC) Service review
- Concessionary Fares outstanding Operator appeals
- Higher than expected Transport Capital Resources

Economic Development Budget 2012/13

Economic Development Base Budget 2011/12		£975,000
Budget Changes		
– Loss of LABGI funding		- £78,000
Economic Development Base Budget 2012/13		£897,000
– Forward Commitments		
– Cost of change	£400,000	
– Employment Skills	£ 50,000	
– Economic Strategy	£ 50,000	
		£500,000
Economic Development Cash Limit 2012/13		£1,397,000

Budgeted Savings 2011/12

- Plan £6.705m
 - £6.848m already
 - £0.120m to come
- Actual £6.968m
 - Exceeds target by £0.263m
 - Mainly early delivery of 12/13 plan

Savings 2011/12

- Total impact of 11/12 plan **£10.3m**

- 2011/12 plan **£6.7m**
 - 11/12 8% *£5.3m*
 - 12/13 early *£1.4m*

- Full year effect 12/13 **£3.6m**

Savings 2012/13

- Total requirement 12/13 £6.1m
- To be delivered by:
 - Early achievement in 11/12 £1.4m
 - Full year effect of 11/12 plans £3.6m
 - New plans 12/13 £1.1m

New savings 2012/13

- £1.133m made up of:

	£000
HWRC Contract	433
Street Lighting (PFI) contract	400
Safer Roads Partnership	300
TOTAL	1,133

New savings 2012/13

- Savings all contribute to corporate workstreams
- No further reductions in FTEs required
- Cost of change to be met from planned 2011/12 carry-forward

Capital Programme 2012/13 - 2014/15

- Key area for ETE Budget – around 33%
- Three main sources of funding:
 - Grant (programmed like LTP or from competition for particular schemes like BRT)
 - Local resources including efficiency funded borrowing
 - External funding (e.g. developer contributions or potentially funding from LEP resources)

Capital programme

	2012/13 £000	2013/14 £000	2014/15 £000
Highways Maintenance	37,384	37,414	37,462
Integrated Transport	13,226	13,444	11,925
Waste Management	900	0	0
Economic Development	31	31	31
TOTAL	51,541	50,889	49,418

Conclusions

- Resources will be tight in 2012/13
- Focus on key front line service delivery
- Capital Funding level and stability is important to retaining capacity for ETE
- Savings in 2012/13 no additional impact on staffing or direct service delivery
- Work underway to identify future efficiency saving options