

**Report to:** Executive Cabinet Member – Leader's Portfolio

**Date:** 4<sup>th</sup> February 2013

**Report of:** Deputy Chief Executive

**Report No:**

**Contact Officer:** R. Binks

**Tele No:** Ext. 1601

**Report Title:** **Chief Executive's Departments' Strategic Budget 2013/14**

**Non Confidential**

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public.

**Recommendations:**

It is recommended that the Executive Member:

- i) agrees the proposed Revenue Budget of £19.911m for Chief Executive's Department and Central Corporate Accounts, and;
- ii) agrees the proposed Capital Programme 2013/15 of £11.6m

**Decision:**

**Signed:**

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Leader / Executive Member

\_\_\_\_\_  
Monitoring Officer

**Date:**

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**Summary:**

The report details the Chief Executive's Department Budget (dealing with the former Chief Executive's & Corporate Resources departments), and including Benefits and other corporate accounts. The report includes the budget savings required for both 2013/14 and 2014/15, and shows in Appendix A how this target might be achieved. The report also gives details of the Capital Programme for the Executive Member's approval, subject to confirmation of available capital resources.

**Background Information**

Executive meeting 27<sup>th</sup> June 2011 - Financial Forecast 2012/13-2014/15 and Budget process

Cabinet meeting 3<sup>rd</sup> September 2012 – Budget Update and Savings Options 2013 - 15

Cabinet meeting 3<sup>rd</sup> September 2012 – Strategic Priorities and Capital Programme 2013 – 15

Cabinet meeting 14<sup>th</sup> January 2013 – Budget Update and Savings Options 2013 - 15

## 1. **BACKGROUND**

- 1.1 This report details the Chief Executive's Departments' budget, including Benefits and other corporate accounts for the financial year 2013/14 and reflects the budget savings options agreed by the Cabinet in January 2013.
- 1.2 The Portfolio's budget for 2013/14, including budget savings, will be as follows:-

<b>CHIEF EXECUTIVE'S DEPT. BUDGET 2013/14</b>		
	<b>Before Recharges £000</b>	<b>After Recharges £000</b>
Chief Executive's department (including savings)	30,053	16,470
Benefits and other Corporate Accounts	2,508	3,441
Total Combined Budget	32,561	19,911

- 1.3 Budget details can be seen in the following Appendices:-

Appendix A	Budget Savings Options
Appendix B	Activity Summary
Appendix C	Subjective Summary
Appendix D1	Variance Analysis –Chief Executives
Appendix D2	Variance Analysis – Benefits and other Corporate Accounts
Appendix E	Capital Programme
Appendix F	Risks

## 2. **CHIEF EXECUTIVE'S DEPARTMENT**

- 2.1 An analysis of the budgets for the Chief Executives Department, by areas of activity, can be seen in Appendix B. A subjective summary (analysis by expenditure type) can be seen in Appendix C.
- 2.2 The Original Budget for 2013/14 is £16,470m, which is a net increase of £4.08m on the Original 2012/13 Budget of £12.390m after taking into account the proposed savings of £1.961m. The reasons for this increase can be seen in Appendix D1 and relate in the main to the transfer of the Libraries, Museums and Art Galleries Service,(£3.8m), other budget virements (including transfer of the Adult Services property budget to Corporate Property Services, £1.3m) and the impact of inflation.

## 3. **BENEFITS AND OTHER CORPORATE ACCOUNTS**

- 3.1 The activities included in this category are set out in Appendix B, and relate either to the accounting arrangements of the Authority, to activities where the Authority acts as agent to Central Government or to activities which are deemed to be strategic in nature. Changes to the budget on these activities are met corporately.
- 3.2 The Original Budget for 2013/14 is £3.441m, which is an increase of £0.464m on the Original Budget for 2012/13 of £2.977m. The reasons for the increase can be seen in

Appendix D2. The increase is caused by inflation and anticipated growth in corporate benefits support costs (£0.48m), offset by budget transfers to other Services.

#### **4. BUDGET SAVINGS**

- 4.1 The savings identified in this report are based upon the budget options agreed by the Cabinet in January 2013. Savings of £4.0m are required of the Chief Executive's Dept. over a two year period commencing 1<sup>st</sup> April 2013. An analysis of the savings can be found at Appendix A to this report. An amount of £1.961m of savings have been proposed for 2013/14. These are also set out at Appendix A.
- 4.2 Several of the proposals will require reviews to be undertaken in order to determine which activities are no longer considered to support the core strategic objectives of the Council, or are not of the highest priority. Further details relating to these will be brought forward during 2013.

#### **5. CAPITAL**

- 5.1 The Portfolio's proposed 2013/14 to 2014/15 Capital Programme, totalling £11.603m (£6.833 in 2013/14 only), is set out in Appendix E. The revenue consequences (debt charges) of this programme are included within 2013/14 Corporate and Service Budgets, whilst the greater part of the programme is funded from revenue and Capital Receipts. The Programme is based on the figures reported to Cabinet on 3<sup>rd</sup> September 2012. In addition, the £6.25m programme of Town Hall accommodation works has been included (£0.25m in 2012/13), plus a transfer from Adult Services of £0.28m anticipated costs - along with equivalent resources – in respect of the Autism Centre.
- 5.2 At the meeting of the Cabinet on 3<sup>rd</sup> September, it was agreed that the overall Capital Programme be the subject of a further report in January/February 2013, to consider any further key investments or amendments to the Programme. The Programme outlined at Appendix E may change as a result of that appraisal.
- 5.3 The proposed Capital Programme reflects an investment to facilitate the achievement of the Council's strategic objectives, both in terms of investing in systems to assist business process changes and investing in property to make it fit for purpose, or in order to achieve property rationalisation.

#### **6. COUNCIL'S STRATEGIC OBJECTIVES**

- 6.1 The Revenue Budget and Capital Programme detailed in this report are consistent with the Council's overall objectives. The revenue savings outlined at Appendix A are a continuation of the savings programme introduced in 2010. The proposed Capital Programme is also consistent with overall objectives, as outlined in 5.3 above.

#### **7. LONG TERM COSTS AND BENEFITS**

- 7.1 The budget savings options and proposed capital programme have been assessed for their long term costs and benefits, including environmental and social considerations.
- 7.3 For the proposed capital programme, the costs and benefits of the schemes have been fully assessed. Energy saving objectives are an integral part of many of the property schemes.

## **8. EQUALITY IMPACT ASSESSMENTS**

- 8.1 All budget savings options have been assessed to identify if there would be any differential impact on particular target groups.
- 8.2 The proposed capital programme will have no negative impact on particular target groups; improving physical accessibility to buildings is an integral part of many of the property schemes.

## **9. RISK**

- 9.1 Each Department has undertaken an assessment of risks facing it and these are detailed in Appendix F. The risks have been evaluated and it is considered that they can be managed by putting into place effective processes which can be covered within existing resources.

## **10. ROBUSTNESS OF ESTIMATES**

- 10.1 The Chief Executive and Deputy Chief Executive consider that the Budget as set out in this report is robust.

## **11. RECOMMENDATIONS**

- 11.1 The Executive Member is requested to:-
  - (i) Approve the Chief Executive's Department Revenue Budget 2013/14
  - (ii) Approve the 2013/14 to 2014/15 Capital Programme, subject to approval of the full Capital Programme by the Cabinet.



**2013/14 CHIEF EXECUTIVE'S DEPARTMENTS' RISKS**

- Risk of fraud
- Cash collection
- Challenges for employee relations and the risk of industrial action
  
- Loss of experienced staff
- FM Retender, including security and resilience
- Health and Safety issues in property