



Medium Term Financial Plan Budget

The Leader Portfolio

Budget Scrutiny

10th January 2022



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Overview of Portfolio

Cabinet Members: The Leader Martin Tett

The Leader's portfolio helps to deliver all of the Corporate Plan priorities with a particular focus and responsibility on:

- Economic Development (Lisa Michelson)
- Skills & Employability (Lisa Michelson)
- Financial Strategy (Richard Ambrose)
- Strategic Infrastructure, inc. Housing Infrastructure Funding (Richard Lumley)
- Policy & Communications inc. Information Management (Roger Goodes)
- Chief Executive's Office (Sarah Ashmead)

Overview of the Portfolio



Over £4m secured in external funding for enabling housing, active travel, bus services, and EV charging infrastructure



5,214 new businesses have been registered in Buckinghamshire this year



£21m paid through Additional Restrictions Grant



£100,000's reopening high streets safely and 'Welcome Back' funding invested in towns and villages across Buckinghamshire to support high streets during lockdowns



10,710 Out of work claimants



1,730 Freedom of Information requests (FOI)



289 Subject Access Requests (SARs)



2,188 complaints



70% peak open rates on residents e-newsletters



750 Media Enquiries



58.3%
Of employees living in Buckinghamshire working as managers / directors or in professional occupations (UK average is 50%)
Source: ONS 2021

Top 10
rank for new business registrations in Buckinghamshire against other Local Enterprise Partnership (LEP) areas

90%
Town centre occupancy rate and up to 98% in some high streets



*Statistics from internal monitoring systems (data from 2021)

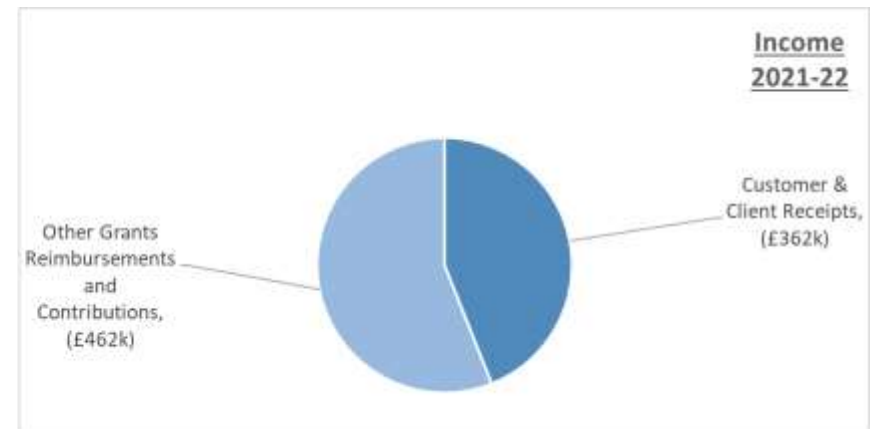
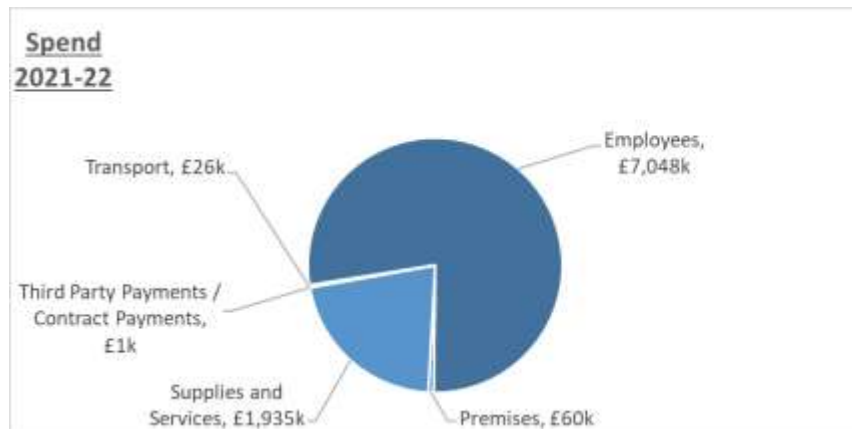
Portfolio Priorities

- Support the existing business community, especially our SMEs in the hardest hit sectors e.g. retail, to recover from the impact of the pandemic
- Secure a 'county deal' and continue to attain funding for, and to deliver on, essential infrastructure projects
- Improve internet coverage and speeds for all parts of the county
- Actively promote the Council's achievements both locally and nationally to increase the reputation and profile of Buckinghamshire and the Council.

Revenue Budget 2021-22

The table below breaks down the budget into the 4 service areas that support the Leader's Portfolio, showing the gross baseline budget for the current year (2021-22). Further detail on each baseline budget is provided from slide 11 onwards.

	2021-22		
	Income £000	Expenses £000	Net budget
Chief Executive's Office	0	864	864
Policy & Communications	(474)	4,221	3,747
Strategic Infrastructure	0	201	201
Economic Growth	(350)	3,784	3,434
TOTAL	(824)	9,071	8,246



Revenue Budget – Savings since April 2020

The table below shows the actions taken and savings achieved so far across the 4 service areas that support the Leader's Portfolio. These are reflected within the Revenue Base Budget seen on slide 5

Actions and Savings		2021/22 £000's
Better Buckinghamshire	- Chief Executive's Office - reduction in running costs	(59)
	- P&C: Communications	(321)
	- P&C: Information Management	(50)
	- P&C: Policy - Corp Subscriptions	(12)
Non cashable savings/ Cost pressures absorbed	- P&C: Communications reduction in posts to bring costs within budget through Service Review	(152)
	- P&C: Information Management reduction in posts to bring costs within budget through Service Review	(211)
	- P&C: Policy - Corp Subscriptions reduction in posts to bring costs within budget through Service Review	(56)
	- Economic Growth & Regeneration: Reduction in staffing and project budgets to cover pressures inherited unachievable income targets	(250)
TOTAL		(1,111)

Revenue Forecast Qtr2 2021-22

	Budget	Y/E Outturn	Variance	Change in Variance
	£000	£000	£000	£000
Expenditure	8,800	8,600	(200)	(300)
Income	(800)	(600)	200	200
Leader	8,000	8,000	0	(100)

Leader Revenue Budget £8.0m, Forecast £8.0m, Var **+£0.0m**

(Covid Var £nil)

- a) The Strategic Infrastructure projects team is reporting a £38k pressure on their staff capitalisation target. This is being managed within the overall Transport Strategy budgets.
- b) Economic Development & Skills budgets is overspent by £57k due to Covid income pressure in Quarter 1 on Markets.
- c) Senior Management Deputy Chief Executives are reporting a breakeven position.

To note: the budget reported at Qtr 2 Cabinet is £0.2m less than the 21-22 base budget in the previous slide because there was a realignment of budgets to the Leader Portfolio after Qtr 2 reporting.

Revenue Budget - Proposed Changes

The table below shows the breakdown of proposed budget changes between financial years, split into Savings, Growth, and removal of one-off 'special items'. All the budget changes are compared to the 2021-22 baseline. All the savings are considered deliverable (albeit with implications to be noted and discussed) and there are no known funding pressures.

Type of Change	Description of Change	Service Area	Change 2022-23	Change 2023-24	Change 2024-25	Narrative
Savings <i>All these savings contribute to the DCE & PGS Directorate Better Bucks Savings</i>	Economic Growth & Regeneration Service Review - Staff Budget Reduction	Economic Growth	(130)	(130)	(130)	This savings is a contribution to Better Bucks; equates to around 3 post reduction in the team and will be delivered via the proposed restructure of the EG&R team (currently out to consultation)
	Savings from Review of External Partnership Funding		-	(50)	(100)	Savings target from review funding we currently award to Buckinghamshire Business First, Englands' Economic Heartland, LEP, etc
	Reduction in Pre-Pipeline Development		(200)	(200)	(200)	Pipeline development budget of £1.2m to be reduced to £1.0m. Budget is held under Leader Portfolio, but used to support strategy and project pipeline development in Regeneration, Transport, Environment, Housing & Economic Development, inc grant bid
	PG&S wide Consultancy Savings		(165)	(300)	(300)	10% consultancy spend savings target - to be delivered via consultancy spend controls in PGS, will be apportioned to other portfolios as specific savings are identified.
	Review of External Funding Charging policies		(100)	(250)	(250)	utilise opportunities for increasing charging of staffing time to externally funded projects (capital grant funding, s.106 & CIL, etc). Will be apportioned to other portfolios as specific savings are identified, most likely in Property, Regeneration, Transport, Housing & Environment
	Removal of one - off savings from Service Review	Chief Executive	-	-	33	Senior Mgmt - removal of one-off savings from Service Review
Special Items	TOTAL		(595)	(930)	(947)	
	Inflation	Economic Growth	2	2	2	
	Removal of one-off vacancy-freeze saving - DCE	Chief Executive	44	44	44	These positive figures remove one-off contributions in 21-22, which were savings to balance the bottom-line of MTFP due to Covid Pressures in 21-22 only. Similar targets were applied across all directorates.
	Removal of one-off vacancy-freeze saving - PGS	Economic Growth	88	88	88	
Total			132	132	132	
Total budget changes against 2021-22 baseline			(461)	(796)	(813)	

Proposed Revenue Budget 2022-25

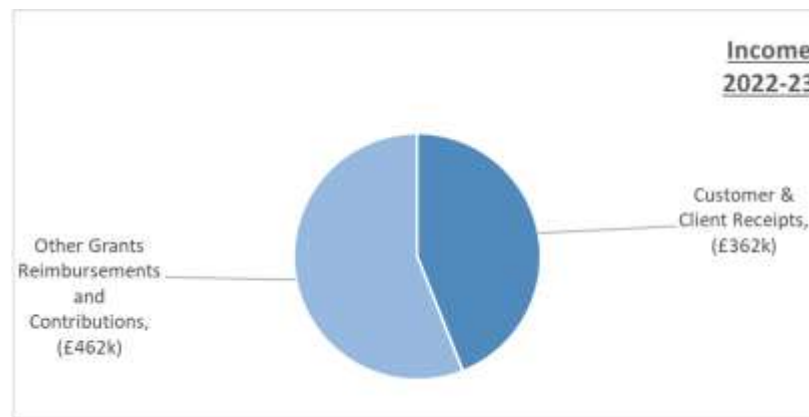
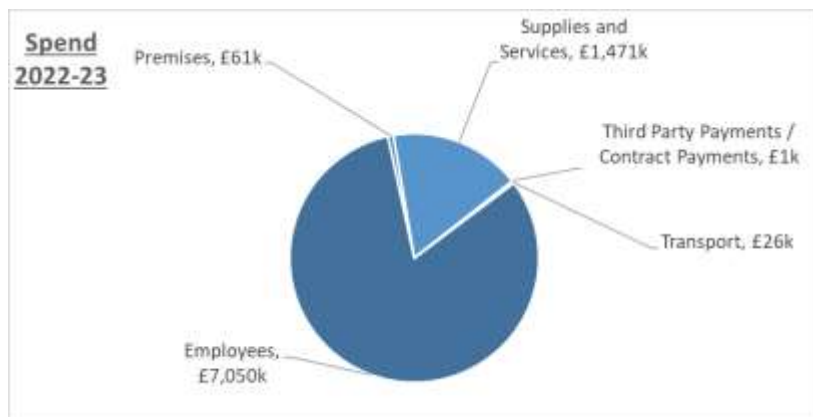
The table below shows what the budget for Leader's portfolio will be after the proposed budget changes.

Leader

Changes Summary	2022-23 £000	2023-24 £000	2024-25 £000
Change in Income	-	-	-
Growth	2	2	2
Savings	(595)	(930)	(947)
Special Items	132	132	132
Grand Total	(461)	(796)	(813)

		2021-22		
		Income £000	Expense £000	Net Budget
Chief Executives Office	Chief Executives Office		864	864
Chief Executives Office Total			864	864
Policy & Communications	Policy & Communications	(474)	4,221	3,747
Policy & Communications Total		(474)	4,221	3,747
Strategic Infrastructure	Strategic Infrastructure		201	201
Strategic Infrastructure Total			201	201
Economic Growth & Regeneration	Economic Growth & Regeneration	(350)	3,784	3,434
Economic Growth & Regeneration Total		(350)	3,784	3,434
Grand Total		(824)	9,071	8,246

Income £000	2022-23 Expense £000	Net Budget	2023-24 Net Budget	2024-25 Net Budget
	908	908	908	941
	908	908	908	941
(474)	4,221	3,747	3,747	3,747
(474)	4,221	3,747	3,747	3,747
	201	201	201	201
	201	201	201	201
(350)	3,279	2,929	2,594	2,544
(350)	3,279	2,929	2,594	2,544
(824)	8,610	7,785	7,450	7,433



Challenges, Risks and Opportunities

- A successful County Deal will be big opportunity for the Council, and will result in significant changes (e.g. resourcing, governance, monitoring arrangements) across many service areas. There is uncertainty over likelihood of this due to Government reshuffle.
- The Economic Development team has a lean structure, which will potentially limit our ability to respond quickly to future bidding opportunities, particularly if the lead time from Govt is short.
- Reducing the pre-pipeline funding from £1.2m to £1m will have a deferred impact in the coming years; it diminishes capacity funding by £1m over the next 5 years, which would otherwise have been used to build a pipeline of projects which would be ready for investment and bidding opportunities.

Top 5 contracts

Vendor	Description	End Date
Metro Dynamics Ltd	Buckinghamshire Devolution Bid Consultancy Support for levelling up bids	30/01/2022
Urban Movement	Aylesbury Gardenway parameter design	01/03/2021
HYAS Associates Ltd	Aylesbury Garden Town - Provision of Consultancy services	31/03/2022
Perki Productions Limited	Aylesbury Garden Town - Community and stakeholder project delivery services	31/03/2022
Urban Movement	Gardenway parameter design – phase two	31/10/2021

Fees and Charges

Each year, as part of the MTFP, we review the schedule of Fees and Charges

The majority of Fees & Charges are amended by an inflationary increase (confirmed in September, typically between 2%-3%).

There are no fees and charges published for this portfolio

Capital Forecast Quarter 2 2021-22

Cabinet Portfolio	Actuals to Date £000	Total Budget £000's	Forecast Outturn £000's	Forecast Variance £000's	% Slippage	RAG Rating
Leader	2,073	8,229	7,075	-1,154	14.0%	Amber

Leader Capital Budget £8.2m, Forecast £7.1m, Var **£-1.1m**

- £800k of slippage on some Housing Infrastructure Projects, including £680k slippage on Abbey Barn due to lack of progress on land and delayed utility spend, and £100k slippage on Phase 1 of Princes Risborough relief road.
- Rural Broadband project (joint with LEP) is forecast £353k of slippage due to some delays in roll-out.

To Note: any unspent capital project budgets in 21/22 ('slippage') will be reprofiled into future years as part of the annual year end process, and approved via the Corporate Capital Investment Board.

Proposed Capital Programme

The table below shows the Capital Programme budget for the Leader Portfolio, which covers the projects unlocked via Housing Infrastructure Funding (HIF) and broadband.

Service Area	Project Group / Project	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	MTFP Total £000's
Economic Growth & Regeneration	Economic Growth					
	Rural Broadband	600	0	0	0	600
	Economic Growth Total	600	0	0	0	600
Economic Growth & Regeneration Total		600	0	0	0	600
Strategic Transport & Infrastructure	Strategic Infrastructure (HIF)					
	A355 Improvement Scheme (Wilton Park)	1,389	0	0	0	1,389
	Abbey Barn - HIF / S106	7,746	0	0	0	7,746
	Aylesbury Eastern Link Road	2,894	35,579	0	0	38,473
	Cycle Infrastructure	1,832	40	0	0	1,872
	Grid Reinforcement Works	12,800	5,122	0	0	17,922
	Land Assembly	0	0	10,818	0	10,818
	Marginal Viability Works	181	1,306	643	0	2,130
	Princes Risborough Relief Road	9,688	1,757	0	0	11,445
	SEALR (South East Aylesbury Link Road)	21,558	5,630	1,062	0	28,250
	South Western Link Road South	0	250	250	0	500
	Strategic Infrastructure (HIF) Total	58,089	49,684	12,773	0	120,546
Strategic Transport & Infrastructure Total		58,089	49,684	12,773	0	120,546
Total Expenditure		58,689	49,684	12,773	0	121,146



Questions



Appendix 1 – Detailed Breakdown of Revenue Budget 2021-22

The table below shows the budget for Leader's portfolio for 2021-22 with a detailed split on spend and income by service area.

	Expenditure						Income			Net Total
	Employees	Premises	Supplies and Services	Third Party Payments / Contract Payments	Transport	Expense Total	Customer & Client Receipts	Other Grants Reimbursements and Contributions	Income Total	
Chief Executive's Office	514		338		11	864				864
Policy & Communications	3,760	-	450	1	10	4,221	(31)	(443)	(474)	3,747
Strategic Transport & Infrastructure	873		(673)		1	201				201
Economic Growth	1,901	60	1,819		4	3,784	(331)	(19)	(350)	3,434
Grand Total	7,048	60	1,935	1	26	9,071	(362)	(462)	(824)	8,246

Appendix 2

Benchmarking on Economic Development

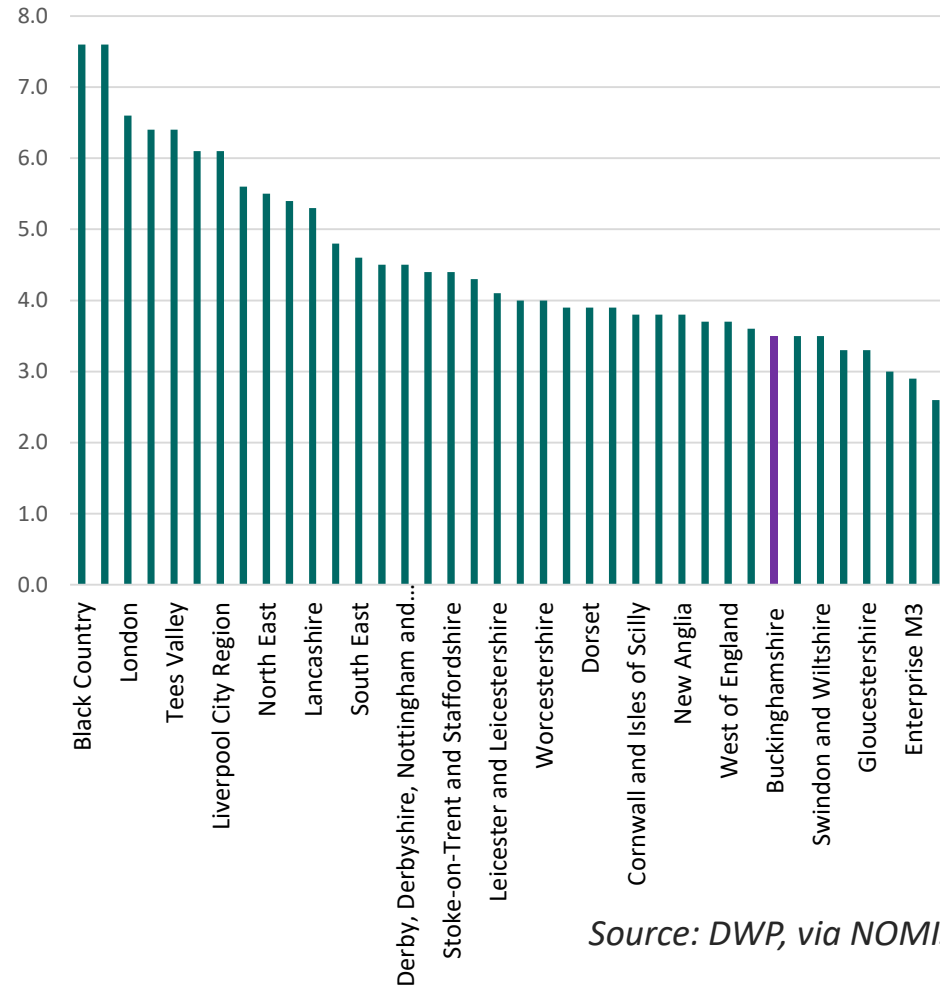
County Economic Context - Claimant Count (Sept 2021)

The number of people claiming out-of-work benefits has been falling steadily since the beginning of the year (11,500 Bucks residents in mid-September 2021).

Buckinghamshire's Claimant Count rate (number of claimants as a proportion of working age residents) currently stands at 3.5% and is lower than the national average of 5.1%.

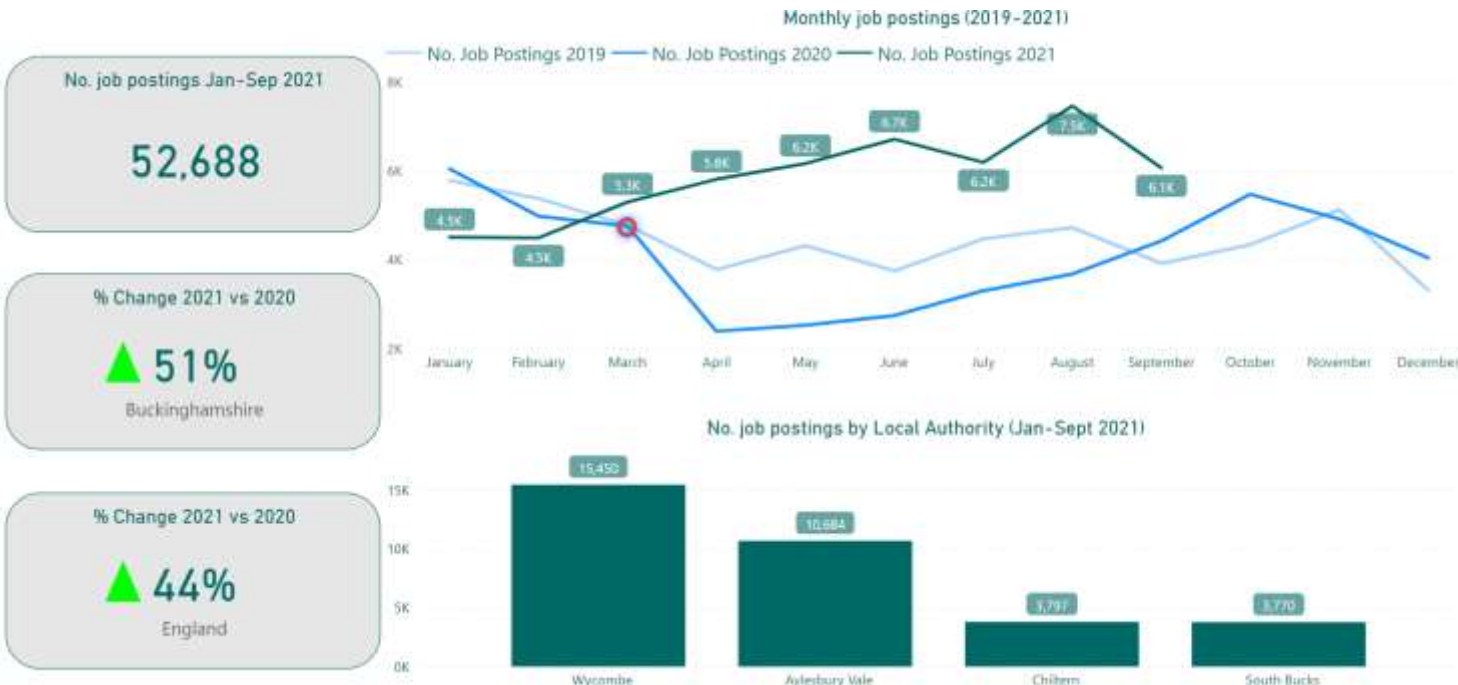
When compared to other LEP areas, Buckinghamshire has the 8th lowest Claimant Count rate (up from having the fourth lowest rate pre-pandemic).

We estimate that there were around 10,000 Bucks residents on furlough at the end of September (when the scheme ended). However, we don't anticipate a huge surge in the number of claimants as around half were on flexible furlough, some furloughed staff have found other jobs which they will continue if let go by their furlough employer and the job market is very active at the moment.



Source: DWP, via NOMIS

Appendix 2 - Benchmarking for Economic Development - Buckinghamshire Job Postings (Jan – Sept 2021)



Source: Burning
Glass
Technologies

Monthly job postings (proxy for job vacancies) in Bucks have been higher than pre-pandemic levels every month since March 2021.

The number of payrolled employees in Bucks now exceeds pre-pandemic levels; however, estimates suggest that the number of Bucks residents who are self-employed has dropped (although is beginning to show signs of recovery).

Skills shortages highlighted in the national media are rife in Bucks and can be found in a wide range of sectors (including construction, social care, TV & film, engineering, hospitality, HGV drivers, healthcare staff etc). One additional factor in Bucks is that HS2 contractors are taking some staff away from their normal roles (e.g. security staff are paid more by HS2).

The lack of people to fill a wide range of jobs is partly due to a large number of people leaving the labour market during the pandemic (e.g. EU workers returning home, older workers taking early retirement or becoming economically inactive due to health concerns / lifestyle changes, students choosing to stay in education rather than enter the labour market etc.).