

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

3 DECEMBER 2013

REPORT OF HEAD OF CENTRAL SERVICES

REVENUE BUDGET 2014-15 COMMITTEE ESTIMATES

1.0 PURPOSE OF REPORT

- 1.1 To inform members on the latest position of this committee's revenue budget estimates.

2.0 RECOMMENDATIONS

- 2.1 **Members to note the latest position on this committee's revenue budget estimates and make comments which can be taken forward through the remainder of the budget setting process.**

3.0 KEY ISSUES

- 3.1 In early September 2013 budget holders were provided with budget working papers with the request that they forecast the estimated 2013-14 year end position and put together draft proposals for the 2014-15 budgets. Budget workshops were held for budget holders to provide guidance for the completion of the working papers in line with the budget framework. The working papers were completed by budget holders, in conjunction with the relevant Service Accountant and Head of Service, and returned to Finance at the end of September.

- 3.2 In line with the Budget Framework, approved on the 7th October 2013 by this Committee, the following table summarises the key stages in the budget setting process:

Management Team Scrutiny of Budget Working Papers	14 October 2013
Budget and Strategic Planning Working Group (BSPWG) meet to consider draft Medium Term Financial Strategy (MTFS) and budget submissions	7 November 2013
PFA Committee consider first draft of revenue estimates	3 December 2013
Strategic Planning Away Day (All Councillors)	16 January 2014
Full Council determines the budget	5 February 2014
Full Council sets Council Tax and approves the budget book and the MTFS	20 February 2014

- 3.3 The two appendices attached to this report provide a detailed summary of the overall Committee estimates. Appendix A provides a one line per service summary. Appendix B provides a more detailed analysis in the form of budget book pages. It should be noted that internal recharges have not yet been finalised and so are still included at current year values.

- 3.4 The following table provides a summary of the appendices as detailed above, further detail on the significant variations is noted below in paragraphs 3.5 and 3.6:

	2013-14 Original Budget	2013-14 Approved Budget at Period 4	2013-14 Estimated Year End Position	2014-15 Proposed Budget
General Expenses	£2,034,530	£2,134,660	£2,048,200	£2,013,790
Special Expenses	£6,700	£6,700	£8,000	£8,000

- 3.5 **Variiances +/- £10,000 in 2013-14 Estimated Year End Position against Approved Budget**

Service	Variance	Detail
Phoenix House	£15,800	Income shortfall based on current occupants.
Misc. Financing Items	-£100,280	Inflation allowance of £100k, of which £26k has subsequently been used to fund the cost of the pay award. The net saving will be £74k.
IT	-£24,510	Client Strategy Support being undertaken by Change Manager therefore budget not required
Regulatory Services	£13,390	Transfer of hours from a Planning Officer to Admin staff, a virement will be completed to reflect this change.

- 3.6 **Variiances +/- £10,000 in 2014-15 proposed budget against 2013-14 Estimated Year end Position**

Service	Variance	Detail
Phoenix House	-£25,900	Based on assumed income for the first floor training facility
Council Tax Collection	£29,840	Adjustment to advised Admin subsidy allocation
Misc. Financing Items	£130,080	
Central Services	-£115,920	Transfer of Change Team to Customer Services budget
IT	-£93,440	Non recurring carry forwards mainly relating to the introduction of the delegated service
Regulatory Services	£48,520	New Regulatory Services Manager post
Communities and Neighbourhoods	£13,090	Adjustment to advised Admin subsidy allocation

- 3.7 One growth item for the IT service has been proposed, for the retendering of the contract, further details can be found in the overall budget report elsewhere on this agenda.

- 3.8 **Next steps**

The above table reflects any revisions made as part of the Management Team budget scrutiny on 14th October and BSPWG on 7th November. As stated in the timetable in 3.2 this committee will consider the first draft of revenue estimates on this agenda, this is followed by the calculation of internal recharges and the Strategic Planning Away Day on 16th January 2014.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 Each relevant service plan shows the links and aims between service delivery and corporate priorities. The estimates have been prepared on this basis.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 All financial and resource implications have been addressed in section 3 above.

6.0 **LEGAL IMPLICATIONS/POWERS**

6.1 The legal implications of service growth, if applicable, will need to be assessed when and if such growth items are being considered.

7.0 **COMMUNITY SAFETY**

7.1 Community Safety is a key priority of the Council and the budget proposals need to take account of the requirements to support that strategy.

8.0 **EQUALITIES**

8.1 There are no direct links to Equalities, though some elements of the budget proposals will relate to Equalities issues. Any savings proposals will need to have equality impact assessments completed as appropriate by the service lead.

9.0 **RISKS**

9.1 There is always the risk that an item of income or expenditure is not adequately reflected in the budget for any financial year; this will be higher in some areas for the 2014-15 financial year due to the economy as well as any initiatives/policy changes arising from the government.

9.2 Further risks identified for this committee’s services are as follows:

Probability
↓

Very High A					Risk No.	Description
High B					1	Parkside Income
Significant C					2	Parkside Expenditure
Low D		1,3			3	Phoenix House Income
Very Low E		2				
Almost Impossible F						
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic		

→
Impact

10.0 **CLIMATE CHANGE**

10.1 Climate change and our response to this could impact on a number of budgets and this should be considered as part of the service planning process.

11.0 **CONSULTATION**

11.1 The Service and Financial Planning timetable sets out the Council's approach to consultation and its links to the budget setting process. In addition, all Heads of Service and Members are involved in the process at various stages.

11.2 To this stage, Budget Holders have carried out the budget setting process with the assistance of the Service Accountant as required with reference to current budget protocols

11.3 Further consultation with Management Team took place on the 14th October and the budgets were further scrutinised by the Budget and Strategic Planning Working Group on the 7th November.

11.4 The Policy Finance and Administration Committee have approved consultation with the public over priorities and the budget and the results will be reported to Full Council to consider as part of the budget setting process.

12.0 **WARDS AFFECTED**

12.1 All wards affected.

Contact Officer Claire Burgess
Date: 11th November 2013

Appendices : Appendix A – Committee Summary of Estimates
Appendix B – Committee Budget Book Pages

Background Budget Working Papers
Papers: Oracle Financials

Reference : X:\Cttee, Council & Sub Cttees\PFA\2013-14\031213