

AGENDA ITEM 8

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

29 OCTOBER 2014

REPORT OF HEAD OF CENTRAL SERVICES

REVENUE BUDGET 2015-16 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 2014 budget holders were provided with budget working papers with the request that they forecast the estimated 2014/15 year end position and put together draft proposals for the 2015/16 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 30th September 2014 at the Policy, Finance and Administration (PFA) Committee, the following table summarises the key stages in the budget setting process:

Star Chamber Scrutiny of Budget Working Papers	13 October 2014
Budget and Strategic Planning Working Group meet to consider draft MTFS and budget submissions	12 November 2014
PFA Committee consider first draft of revenue estimates	2 December 2014
Strategic Planning Away Day (All Councillors)	15 January 2015
Full Council determines the budget	4 February 2015
Full Council sets Council Tax and approves the budget book and the MTFS	25 February 2015

- 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:

2014/15 Original Budget	2014/15 Approved Budget at Period 4	2014/15 Estimated Year End Position	2015/16 Proposed Budget
£2,819,510	£2,985,330	£2,965,240	£2,899,630

3.5 **Variiances +/- £10,000 in 2014/15 Estimated Year End Position against Approved Budget**

Service	Variance	Detail
Waste Management	£19,280	Value per tonne of commingled material continues to decline (£75/tonne budgeted for q1 £66.41, q2 £61.42 and q3 £58.66). Also increase in processing costs due to higher tonnages than budgeted for re commingled and green waste.
Car Parks	-£18,350	Car parking income to date has exceeded budgeted expectations – variance assumes this continues and income is in line with that achieved in 2013/14. Also, latest statement from LCC shows a predicted increase in Penalty Charge Notice (PCN) income against that budgeted for.
Cattle Market	£45,860	Income continues to decline. The main area continues to be animal auctions, which is 13% below that achieved April-August 2013/14. Variance is based on the assumption that animal auctions income will be 18% below that achieved in 2013/14. Officers continue to work closely with the Market Partners and latest forecasts are based on a meeting with the Market Partners in September.
Development Control	-£71,690	Income to date has exceeded budget expectations due to the number and nature of applications received.

3.6 **Variiances +/- £10,000 in 2015/16 proposed budget against 2014/15 Estimated Year end Position**

Service	Variance	Detail
Environmental Health	-£20,720	Change in staff structure and temporary staff.
Waste Management	£151,220	Allowance for increase in contractor costs due to annual indexation. Also fluctuations in tonnages collected and values/tonne. Loss of green waste credits from 1 st April 2015. Professional assistance for letting a new waste management contract as per REEA 03.09.14.
Cattle Market & Cattle Market Re-Development	-£75,340	Supplementary estimate of £50,000 received in 2014/15 re cattle market re-development – not in 2015/16. Reduction of £24,900 in depreciation charge due to an impairment in the building.
Development Control	-£11,810	Contractor in 2014/15 to assist with additional workload no longer required in 2015/16.

Local Plans	-£83,820	Supplementary estimate for transport modelling, carry forward and contribution from Rushcliffe for landscape capacity and sensitivity study all received in 2014/15 and not in 2015/16
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3.8 **Next steps**

As stated in the timetable in 3.2 the BSPWG is due to be held on 12th November. At this time the Members working group begin their scrutiny of the budgets and the MTFS.

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 2015/16 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 ↓						Risk No.	Description
Very High A						1	Car Parks – Enforcement and Penalty Charge Notice issue costs increase and/or income falls
High B						2	Cattle Market Income – Continued decline of income
Significant C			4, 5			3	Waste Management – Green waste and commingled tonnages forecast aren't reached. Value of commingled waste per tonne falls below that budgeted for. Also risk that contract price is higher than budgeted for.
Low D			2,3			4	Building Control and Development Control Income – Level of income in budget not achieved due to volatility of market.
Very Low E	1					5	Consideration and approval of the car parking strategy affects the car parking budgets
Almost Impossible F							
		IV Negligible	III Marginal	II Critical	I Catastrophic		

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 at the Star Chamber took place on the 13th October and the Budget and Strategic Planning Working Group will further scrutinise the budgets on the 12th 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 : Natasha Bailey Date: 7th October 2014
 Appendices : Appendix A – Committee Summary of Estimates
 Appendix B – Committee Budget Book Pages
 Background Papers: Budget Working Papers
 Oracle Financials
 Reference : X : Ctte,Council & Sub Cttes/REEA/2014-15/29-10-14/DG Revenue Budget 2015-16
 Committee Estimates