

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

12 NOVEMBER 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 30 September 2014 at the Policy, Finance and Administration (PFA) Committee, the following table summarises the key stages in the budget setting process:

Management Team Scrutiny of Budget Working Papers	13 October 2014
Budget and Strategic Planning Working Group meet to consider draft Medium Term Financial Strategy (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 At the time of this report any amendments made by Management Team have been incorporated into this report.

3.5 The following table provides a summary of the appendices as detailed above, further detail on the significant variations are shown in sections 3.6 and 3.7 below:

Fund	2014/15 Original Budget	2014/15 Approved Budget at Period 4	2014/15 Estimated Year End Position	2015/16 Proposed Budget
	£	£	£	£
General Expenses	2,350,260	2,369,530	2,245,690	2,347,850
Special Expenses (MM)	577,610	577,610	571,610	561,580
Special Expenses (Frisby)	5,460	5,460	10,460	5,460
Special Expenses (Sproxton)	4,780	4,780	4,780	4,780
Total	2,938,110	2,957,380	2,832,540	2,919,670

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

Service	Variance	Detail
Rent Allowances	(£39,980)	Inclusion of Discretionary Housing Payments and increased overpayment recovery following focus on recovering outstanding amounts
Customer Service Centre	(£16,520)	Net effect of staff seconded to the Me and My Learning project and additional software costs for the My Account package.
Welland Wheels to Work	(£59,570)	Increased funding from a variety of third parties
Sports	(£12,020)	Increased funding allocation and some not in the pension scheme.

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

Service	Variance	Detail
Rent Rebates HRA Tenants	£11,120	There is a predicted reduction in the recovery of overpayments following initial work in 2014/15 to focus on recovering outstanding amounts
Rent Allowances	£14,030	As above
Homelessness	£28,310	Increased costs relating to homeless prevention officer and team leader as only 50% costs will be now be recovered.
Other housing Services	£30,000	Annual contribution to the Housing Foyer – subject to member approval
Supporting People	(£43,110)	Change in funding for 2015/16 with the expectation of no general fund contribution
Customer Service Centre	(£20,100)	Removal of vacant post and transfer of staffing costs to Me & My Learning
Welland Wheels to Work	£10,730	Increased insurance and staffing costs partially offset by a reduction in other costs & depreciation
Commissioning Children's Centres	£60,000	Expectation that income will reduce from LCC and therefore the £60k management fee will not be received.

3.8 One growth item relating to a shared technical resource managed through Steria within the Customer Services section has been put forward to keep the new website up to date totally £12k per annum ongoing.

A further growth item is shown as exempt Appendix E.

3.9 **Next steps**

As stated in the timetable in 3.2 the BSPWG was held on 12 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 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				
High B				
Significant C			1,3	
Low D			2	
Very Low E				
Almost Impossible F				
	IV Negligible	III Marginal	II Critical	I Catastrophic
Impact →				

Risk No.	Description
1	Confirmation of continued external funding
2	Outcome of intensive housing management review- social risk: deterioration in the quality of support
3	Outcome of intensive housing management review - financial risk:- increased/ongoing requirement for council subsidy

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 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	Carol King
Date:	14 October 2014
Appendices :	Appendix A – Committee Summary of Estimates Appendix B – Committee Budget Book Pages Appendix E – Growth List (exempt)
Background Papers:	Budget Working Papers Oracle Financials
Reference :	X: C'ttee, Council & Sub-C'ttees /CSA/2014-15/12-11-14/DG – Revenue Budget 2015-16 Estimates