

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

16 NOVEMBER 2016

REPORT OF HEAD OF CENTRAL SERVICES

REVENUE BUDGET 2017-18 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 2016 budget holders were provided with budget working papers with the request that they forecast the estimated 2016/17 year end position and put together draft proposals for the 2017/18 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.

3.2 In line with the Budget Framework, approved on 28th September 2016 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	10 October 2016
Members Autumn Away Day – initial high level budget review and consideration of efficiency plans	13 October 2016
Budget and Strategic Planning Working Group meet to consider draft MTFS and budget submissions	9 November 2016
Spending Review published by Government	23 November 2016
PFA Committee consider first draft of revenue estimates	30 November 2016
Settlement Announcement for Local Government	Mid December 2016
Strategic Planning Away Day (All Councillors)	11 January 2017
PFA to review draft budget to Council following the Strategic Planning Away Day	25 January 2017
Full Council determines the budget	8 February 2017
Full Council sets Council Tax and approves the budget book and the MTFS	23 February 2017

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. Budgets are still being refined and checked and therefore are subject to change between now and Full Council approval.

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

Fund	2016/17 Original Budget	2016/17 Approved Budget at Period 4	2016/17 Estimated Year End Position	2017/18 Proposed Budget
	£	£	£	£
General Expenses	1,837,740	1,878,990	1,889,010	1,622,120
Special Expenses (Sproxtton)	4,880	4,880	4,880	4,880
Special Expenses (Frisby)	5,580	5,580	6,190	6,080
Total	1,848,200	1,889,450	1,900,080	1,633,080

Members should note that the proposals, as reported elsewhere on this agenda, relating to supporting people and the people services review have been assumed in these figures.

3.5 **Variations +/- £10,000 in 2016/17 Estimated Year End Position against Approved Budget**

Service	Variance	Detail
Leisure Vision	£10,240	As previously advised to members recharges of repairs/maintenance works carried out by SLM in 15/16 were not reserved. Also increase in R&M generally. Management fee is also higher than budgeted for, offset by additional income.
Rent Rebates HRA Tenants	(£61,790)	Increase in predicted subsidy percentage and increase in overpayment recovery.
Rent Allowances	£15,250	Increase in expected subsidy, offset by overpayment recovery lower than budgeted for due to more efficient processes leading to fewer overpayments being raised.
Homelessness	£30,940	Increase in temporary accommodation costs due to increase in homelessness of which is only partially recoverable.
Supporting People	£25,540	Additional fixed member of staff and use of standby to cover the needs of the service which is based on the proposals outlined in a separate report on this agenda.
Customer Services	(£20,490)	Vacant posts not recruited for. Instead they have been partially backfilled through increasing hours for existing part time employees.
Wheels to Work	£11,910	Error in fees charged for first part of the year and reduction in the expected number of users.

3.6 **Variations +/- £10,000 in 2017/18 proposed budget against 2016/17 Estimated Year end Position**

Service	Variance	Detail
Leisure Vision	(£85,930)	A two year budget was initially set through non-recurring costs which have subsequently been removed. A growth item has been submitted to bring this to the revised go live date.
Waterfield Leisure Centre	(£137,090)	A review of the smoothing reserve fund has been undertaken resulting in a change of the profiling.

Rent Rebates HRA Tenants	£25,080	Reduction in subsidy % predicted and reduction in overpayment recovery.
Other Housing Services	£34,170	£30k contribution to housing foyer added back in to reflect that the project is now expected to be delivered.
Supporting People	(£28,690)	Savings based on based on the proposals outlined in a separate report on this agenda
Customer Services	£89,820	Impact of People services review.
Welland Wheels to Work	(£101,180)	New schemes with new funding bids and an increase in the fees and charges. Dependant upon the bids being awarded.
Commissioning Children's Services	(£21,430)	Impact of People services review.
Strategic Sports Development	(£23,390)	Impact of People services review. Also movement of expenditure in relevant areas to be in line with the associated funding received.

3.7 Four growth items have been put forward:

- Management and maintenance of Melton Sports and Leisure Village during the procurement phase (£50,830)
- Development of a Housing Strategy (£25,000)
- Contribution to the Venue (£4,000), Crime prevention initiatives (£1,000) and contribution to Bottesford Youth Club (£2,500)
- Introduction of a renewal and repair fund for wheels to work scooters (£24,330)

3.8 There have been no saving proposals submitted.

3.9 The Council has formally taken over the responsibility for the maintenance of an extension to the closed churchyard at Frisby. As a result of this, the budget proposals include an increase of £500 to the Special Expense – Closed Churchyard Frisby budget. This is equivalent to a £1.42 increase on the Council Tax Band D equivalent, against the Band D equivalent for no increase to the budget. Members may wish to note however that the Council Tax Band D equivalent for 2016/17 and 2015/16 were increased to recover a deficit from 2014/15 due to repairs.

3.10 **Next steps**

The above tables reflect any revisions made as part of the Star Chamber budget scrutiny on the 10th October. As stated in the timetable in 3.2 the BSPWG was held on 9 November and PFA will consider the first draft of revenue estimates on 30th November, followed by the calculation of internal recharges and the Strategic Planning Away day on 11th January 2017.

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.

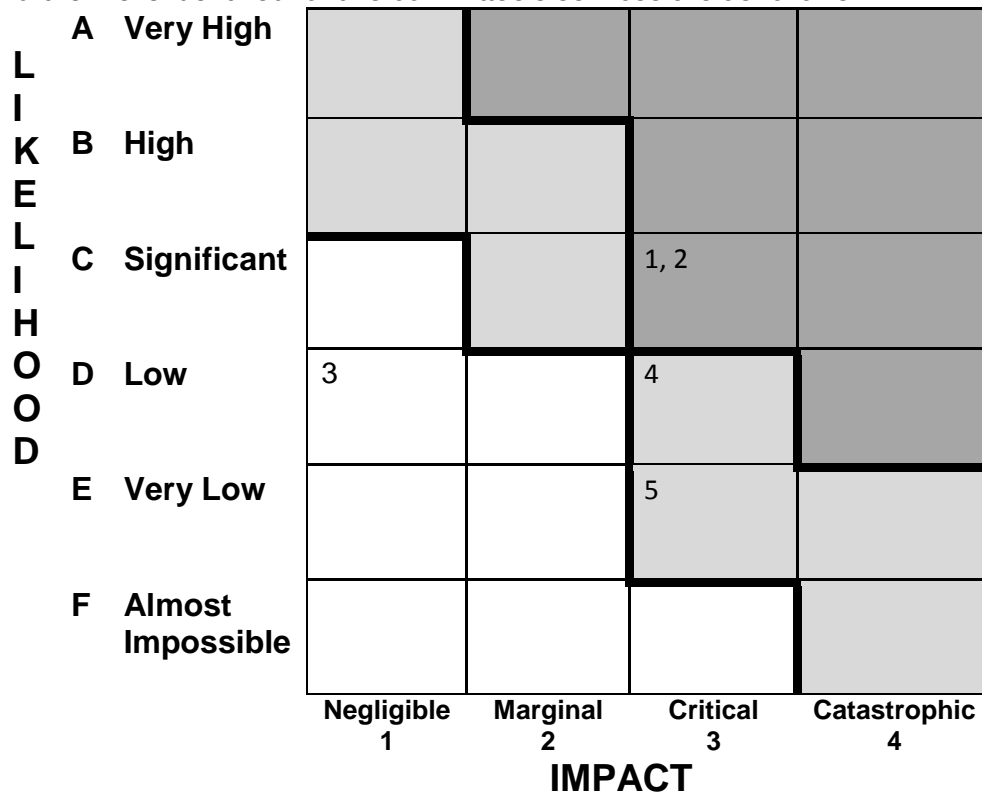
8.0 **EQUALITIES**

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 2017/18 financial year due to the economy as well as any initiatives/policy changes arising from the government.

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



Risk No	Risk Description
1	Confirmation of continued external funding which affects a number of budgets
2	Wheels to work – outcome of funding bids. If not achieved scheme will need to be wound down and additional income shown as a result will not be achieved
3	Open Spaces – Income not achieved if planning permission is not received (£3.5k)
4	Benefits and Homelessness – Subsidy levels for all estimates which can fluctuate greatly. Some subsidy and Discretionary Housing Payments amounts still to be confirmed and changes expected to temporary accommodation management fee subsidy the impact of which is an estimate at this stage
5	People review and Supporting People review not approved

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 10th October and the Budget and Strategic Planning Working Group further scrutinised the budgets on the 9th November.

11.4 A high level budget review was also undertaken at the Members Autumn away day on the 13th October where union representatives were invited but declined to attend.

11.5 Extensive consultation was undertaken with the public over the Corporate Plan and this was reported to the Policy finance and Administration Committee. Budget Proposals are prepared in line with the priorities contained within the Corporate Plan.

12.0 **WARDS AFFECTED**

12.1 All wards affected

Contact Officer	Natasha Bailey
Date:	17 October 2016
Appendices :	Appendix A – Committee Summary of Estimates Appendix B – Committee Budget Book Pages
Background	Budget Working Papers
Papers:	Oracle Financials
Reference :	X: C'ttee, Council & Sub-C'ttees /CSA/2016-17/16-11-16/DG – Revenue Budget 2017-18 Estimates