

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

1 DECEMBER 2015

REPORT OF HEAD OF CENTRAL SERVICES

REVENUE BUDGET 2016-17 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 2015 budget holders were provided with budget working papers with the request that they forecast the estimated 2015/16 year end position and put together draft proposals for the 2016/17 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 30 September 2015 at this committee, the following table summarises the key stages in the budget setting process:

Management Team Scrutiny of Budget Working Papers	14 October 2015
Budget and Strategic Planning Working Group meet to consider draft Medium Term Financial Strategy (MTFS) and budget submissions	11 November 2015
Spending Review published by Government	25 November 2015
PFA Committee consider first draft of revenue estimates	1 December 2015
Settlement Announcement for Local Government	Mid December 2015
Strategic Planning Away Day (All Councillors)	13 January 2016
Full Council determines the budget	3 February 2016
Full Council determines the budget	10 February 2016
Full Council sets Council Tax and approves the budget book and the MTFS	24 February 2016

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:

2015/16 Original Budget	2015/16 Approved Budget at Period 4	2015/16 Estimated Year End Position	2016/17 Proposed Budget
£1,660,380	£1,754,620	£1,592,870	£1,750,110

3.6 **Variations +/- £10,000 in 2015/16 Estimated Year End Position against Approved Budget**

Service	Variance	Detail
Parkside	(£15,850)	Fewer staff employed compared to the establishment
Phoenix House	(£32,950)	NNDR refund to reflect the Venue's charitable status
Land Charges	(£28,780)	New Burdens Grant for claim costs from personal search companies against Land Charges imposed
Elections	(£11,720)	Lower costs due to fewer borough wards and parishes being contested than budgeted for
Me and My Learning	£10,950	Fixed term apprentice funded by the Corporate Priorities Reserve as approved by PFA 30 th September
Misc. Financing Items	(£22,510)	Inflation contingency budget not utilised offset by allocation of transformation savings to other budgets
IT	(£29,340)	Proposal to freeze the desktop environment at Windows 7/Office 2010 for the next 3 years will result in PC software savings. Contingency included in contract will not be utilised.

3.7 **Variations +/- £10,000 in 2016/17 proposed budget against 2015/16 estimated year end position**

Service	Variance	Detail
Parkside	£64,070	Part year loss of income due to LPT vacating 30 desks
Phoenix House	£47,500	Loss of rental for car parking spaces and Me & My Learning rent recharge for occupation
Land Charges	£29,380	New Burdens Grant for claim costs from personal search companies against Land Charges imposed to be received in 2015-16 only
Elections	(£38,840)	Reduction due to no borough or parish elections in 2016-17
Me and My Learning	(£19,140)	Reduction in costs to reflect rent recharge to Phoenix House removed in 2016-17 due to grant funding requirements
Central Expenses	£11,210	Impact of new insurance contract and increase in Insurance Premium Tax from 6.5% to 9.5%
NNDR Collection	£12,650	New Burdens Council Tax Support grant in 2015-16 only
Misc. Financing Items	(£125,830)	Last phase of transformation savings target and removal of inflation allowance
Central Services	£39,070	Impact of finance and property restructure, increase in capital charges £17k and increase in pension £15k due to large team

Communications	£198,110	Change Team moved from Customer Services budget into Communications
Communities and Neighbourhoods	(£68,470)	Restructure resulted in Contract Admin post not in budget, Sundry Debt Collector post included in Economic Development budget. Loss of Flexible Support Funding.

3.8 Three growth items have been put forward:

- Support from the Leicester LGBT service one day a week at Parkside £3,000
- Additional admin resource (0.5FTE) for Elections £10,330.
- Committee system £8,000.

3.9 **Next steps**

The above tables reflect any revisions made as part of the Management Team budget scrutiny on 14th October 2015. 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 13th January 2016.

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.

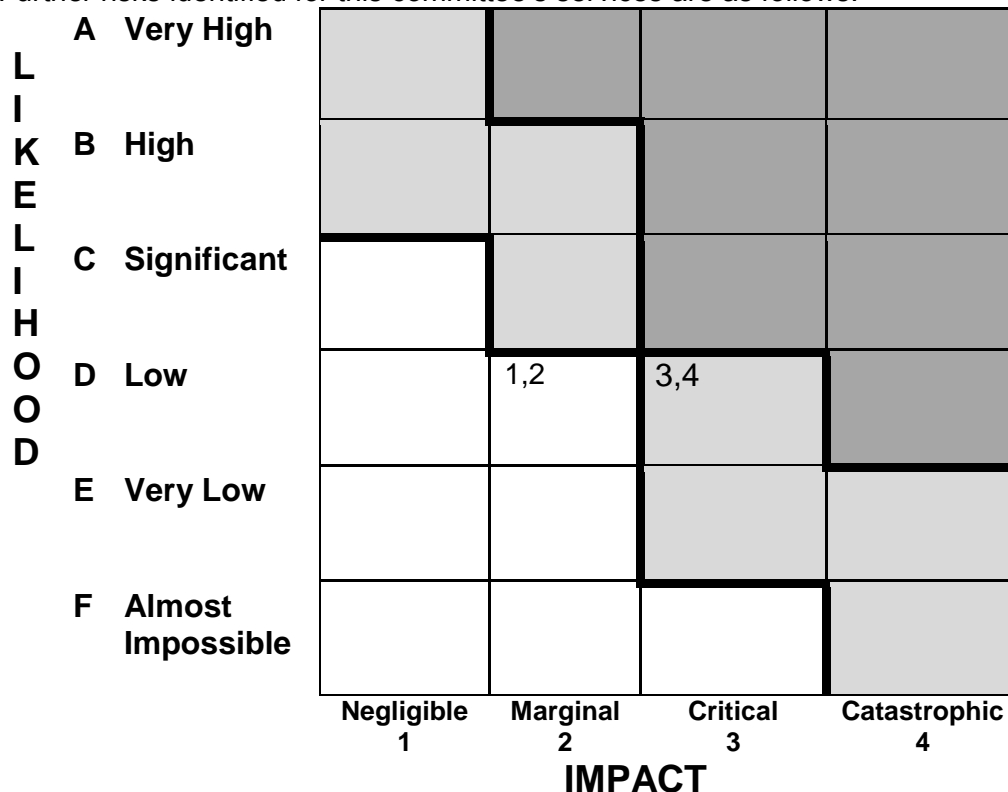
8.0 **EQUALITIES**

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:



Risk No	Risk Description
1	Parkside Income budget not being achieved
2	Phoenix House Income budget not being achieved
3	Non Achievement of transformation Savings
4	Award of Grant for continuance of Me and My Learning

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 This 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: 10th November 2015
 Appendices : Appendix A – Committee Summary of Estimates
 Appendix B – Committee Budget Book Pages
 Background Papers: Budget Working Papers
 Oracle Financials
 Reference : X: C'ttee, Council & Sub-C'ttees /PFA/2015-16/01-12-15/DG – Revenue Budget
 2016-17 Estimates