

POLICY, FINANCE & ADMINISTRATION COMMITTEE

30 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 this 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:

2016/17 Original Budget	2016/17 Approved Budget at Period 4	2016/17 Estimated Year End Position	2017/18 Proposed Budget
£1,608,850	£1,797,270	£1,877,690	£1,705,850

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

Service	Variance	Detail
Parkside	(£32,560)	LPT assumed to continue occupation (budgeted to vacate from September 2016)
Land Charges	£17,200	Shortfall in income and legal claim settlement
Corporate and Democratic Core	£19,720	Potential Councillors home to office mileage payments HMRC settlement
Corporate Costs (Finance)	(£11,150)	Audit fees lower than budgeted for
NNDR Collection	(£27,140)	Additional Section 31 grant
Misc Financing Items	£126,330	Transformation Savings target will not be achieved this financial year
IT	(£18,960)	Lower laptop turnover due to move from laptops to thin clients and savings from change to the way to log in

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

Service	Variance	Detail
Parkside	£57,100	NNDR Revaluation and LPT assumed to continue occupation
Repairs and Maintenance	£27,280	Budget reduced in 2016-17 to reflect Cattle Market and Leisure Vision repairs and maintenance works moved to the budgets for these projects.
Commercialism	(£95,000)	Budget approved for 2016-17 only
Me and My Learning	(£79,390)	Review of service to achieve required reduction to reflect non recurring contribution from Corporate Priorities Reserve in 2016-17 only
Corporate and Democratic Core	(£14,720)	One off potential Councillors home to office mileage payments HMRC settlement in 2016-17
NNDR Collection	£35,020	Additional Section 31 grant in 2016-17
Misc Financing Items	£69,820	Reduction in Rural Services Delivery Grant (£102k) and pension auto enrolment from October 2017 (£30k) offset by Transformation Savings to be achieved 2017-18 £61k
IT	£13,220	Additional cost for new contract for outsourced service
Communications	(£39,760)	Impact of the People services Review
Communities and Neighbourhoods	(£160,710)	Impact of the People services Review

3.7 No growth proposals have been submitted.

3.8 The following saving proposal has been submitted:

- £14,870- remove the provision of paying employees' professional fees.

3.9 **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 this committee will consider the first draft of revenue estimates for the whole council under a separate item on this agenda, 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:

L I K E L I H O O D	A Very High				
	B High				
	C Significant			3	
	D Low		1,2,4		
	E Very Low				
	F Almost Impossible				
		Negligible 1	Marginal 2	Critical 3	Catastrophic 4

IMPACT

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	Sales of Lottery tickets not as anticipated

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	Claire Burgess
Date:	26 October 2016
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/2016-17/130-11-16/DG – Revenue Budget 2017-18 Estimates