

AGENDA ITEM 8

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

4 NOVEMBER 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 the 30th September 2015 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	14 October 2015
Budget and Strategic Planning Working Group meet to consider draft 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
PFA to review draft budget to Council following the Strategic Planning Away Day	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 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:

2015/16 Original Budget	2015/16 Approved Budget at Period 4	2015/16 Estimated Year End Position	2016/17 Proposed Budget
£2,821,370	£3,005,060	£2,989,670	£2,819,590

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

Service	Variance	Detail
Environmental Health	£23,150	Review of the resourcing of licensing and enforcement services – difference between previous and new posts. The savings are not shown in 2015/16 as the one off costs (i.e. redundancy payments) outweigh these in year. The savings are seen in 2016/17.
Waste Management	£33,070	Value per tonne of commingled material has continued to decline (£62/tonne budgeted for quarter 1 £45.04, quarter 2 £39.86 and quarter 3 £51.74). Partially offset by reduced contractor costs due to annual indexation confirmed at -0.48% against a budgeted increase of 1%.
Car Parks	-£10,340	Latest information on enforcement costs from Harborough District Council shows a reduction due to a vacancy within the Civil Enforcement Officers structure. The reduced costs are dependent upon the number of PCNs issued and this position may change.
Development Control	-£115,630	Income to date has exceeded budget expectations due to the number and nature of applications received.
Local Plans	£34,180	CIL Consultant to be funded via a supplementary estimate from budget reductions.
Environmental Maintenance	£20,820	Use of temporary staff to assist in the seasonal demand to ensure works are completed to required level and the costs of an additional fixed term cemetery assistant post. Also, insurance claim settlement of £5k.
Industrial Estates	-£14,100	One unit was assumed vacant in the budget. All are now fully let, therefore additional income received and reduced costs.

3.6 **Variances +/- £10,000 in 2016/17 proposed budget against 2015/16 Estimated Year end Position**

Service	Variance	Detail
Environmental Health	-£31,170	Business Advisor Licensing post moved to Licensing budget.
Cattle Market	£11,680	Decrease in income to allow for disruption as a result of the re-development works.
Cattle Market Re-	-£122,030	Expenditure in 15/16 relates to a carry forward from 14/15 for the pre-construction costs phase of the

Development		project. The majority of future costs are assumed to be capital, however there may still be some revenue elements, which if required will be funded through a carry forward of any underspend in 15/16.
Development Control	-£33,760	Changes to staff structure as a result of the licensing review, including one off redundancy costs and use of a contractor in 15/16.
Local Plans	-£19,540	Some posts have been vacant in 2015/16. These are expected to be fully filled in 2016/17. This additional cost in 16/17 is reduced by the funding of the CIL consultant through the local plan reserve in 16/17, for which a supplementary estimate was received in 15/16.
Environmental Maintenance	-£17,120	Use of temporary staff and insurance claim settlements in 15/16, not expected in 16/17.
Economic Development	£27,920	Town Centre Management S106 Contribution removed in 2016/17, the £70k was split between 14/15 and 15/16.
Licensing	£14,480	Changes to staffing structure as a result of the licensing resources review. Transfer of staff from Environmental Health

3.8 **NEXT STEPS**

As stated in the timetable in 3.2 the BSPWG is due to be held on 11th 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.

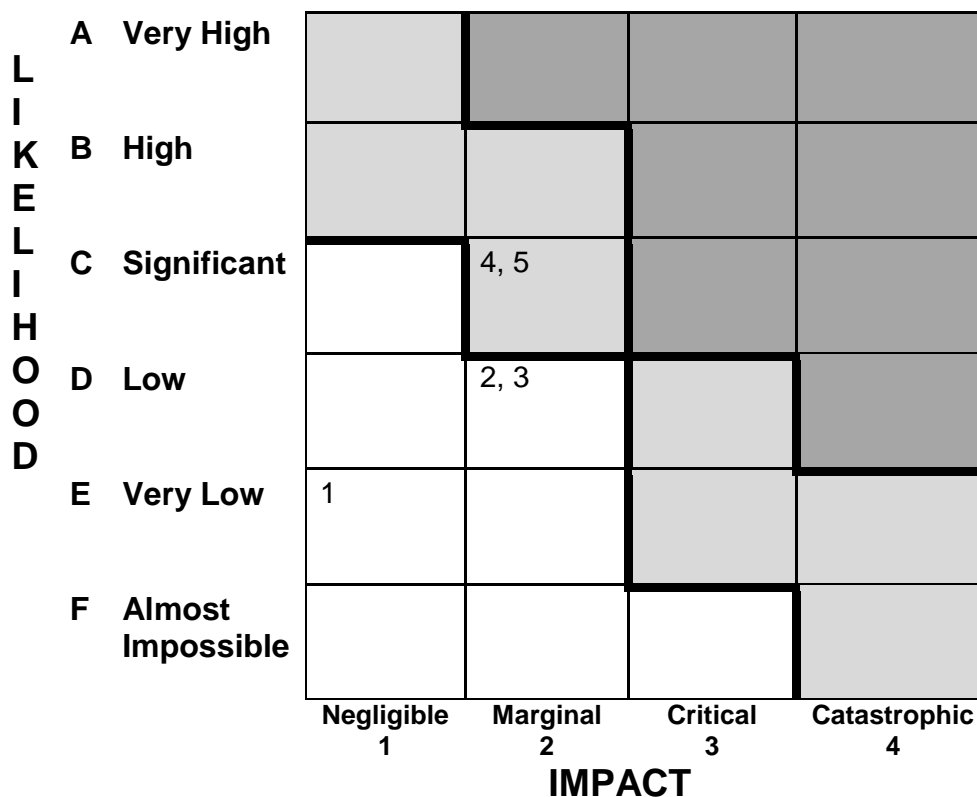
8.0 **EQUALITIES**

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 2016/17 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	Car Parks – Enforcement and Penalty Charge Notice issue costs increase and/or income falls
2	Cattle Market Income – Continued decline of income and impact of business disruption during construction works
3	Waste Management – Commingled tonnages forecast aren't reached. Value of commingled waste per tonne falls below that budgeted for. Also risk that annual indexation on contract price is higher than budgeted for.
4	Building Control and Development Control Income – Level of income in budget not achieved due to volatility of market.
5	Consideration and approval of the car parking strategy affects the car parking budgets

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 14th October and the Budget and Strategic Planning Working Group will further scrutinise the budgets on the 11th November.

11.4 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: 1st October 2015

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/2015-16/04-11-15/DG Revenue Budget 2016-17
Committee Estimates