

For publication

**Deputy Leader of the Council
Revenue Budgets 2017/18 to 2022/23**

Meeting:	Cabinet
Date:	19 th December 2017
Cabinet portfolio:	Deputy Leader of the Council
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To consider the probable outturn for the current financial year;
and
- 1.2 To consider the draft budget for 2018/19.

2.0 Recommendations

- 2.1 That the probable outturn for the current financial year be considered.
- 2.2 That the draft estimates for 2018/19 and future years be considered.

3.0 Probable 2017/18

- 3.1 The Probable Outturn for the current financial year is £1,240,330, a decrease in the expenditure of £19,850 or 1.6% on the original estimate of £1,260,180.
- 3.2 The main reasons for the decreases are summarised below:

Table 1 – Significant Variances Original to Probable 2017/18

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
General Employee Savings	(25)
Pension shortfalls	38
Energy, Water & NNDR	1
Software Upgrade	10
Contracted Services	9
Bank Charges	(5)
Tenancy Agreement Consultation	(3)
Other Minor Variations	(5)
Changes to controllable budgets	20
Change in support service recharges	(40)
Overall decrease in expenditure	(20)

A more detailed analysis of these changes is provided in **Annexe 4.**

4.0 Draft Estimates 2018/19

- 4.1 The draft estimates for 2018/19 total £1,223,910 a decrease in expenditure of £36,270 or 2.9% on the original estimate of £1,260,180.
- 4.2 The most significant variances include:

Table 2 – Significant Variances Original 2017/18 to Original 2018/19

Description	Increase / (Decrease)
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	£'000
<u>Changes to controllable budgets:</u>	
General Employee incl Pay Inflation	19
Software Upgrade	10
Contracted Services	(3)
Bank Charges	(5)
Net of Minor Variations	1
Changes to controllable budgets	22
Change in support service recharges	(58)
Overall decrease in expenditure	(36)

A detailed list of variances is shown at **Annexe 5**.

4.3 The following budget assumptions have been used to produce the draft Deputy Leader of the Council.

- Pay award of 2% for all years.
- Inflation rates –
 - General RPI 3.5% in 2018/19 & 3.0% for all future years
 - General CPI 2.3% in 2018/19 & 2.0% for all future years
 - Utilities 3.5% in 2018/19 & 3.0% for all future years
 - Rates 3.7% in 2018/19, 3.5% 2019/20 and 3.0% onwards.
 - Fees & Charges – minimum uplift of 3%

4.4 The budgets in this report are the first draft estimates which may need to be amended and refined before the final budget report is presented to Cabinet in February 2018.

5.0 Growth Requests

5.1 No growth requests have been received at this time.

6.0 Medium Term Budget Issues

6.1 Forecast budgets for 2019/20 to 2022/23 have been included in annexes 1 to 3. Other than a provision for known inflationary pressures, there are no other issues to report.

7.0 Risk management

- 7.1 There are a number of significant risks inherent in any budget forecasting exercise and the risks increase as the period covered increases.

8.0 Equalities Impact Assessment (EIA)

- 8.1 The budget process and forecasts produced do not require an EIA but any decisions to vary budgets and service provision may require EIA's specific to those options.

9.0 Recommendations

- 9.1 That the probable outturn for the current financial year be considered.
- 9.2 That the draft estimates for 2018/19 and future years be considered.

10.0 Reasons for recommendations

- 10.1 To enable the Council to set a balanced budget for 2018/19.

Glossary of Terms	
RPI	Retail Price Index
CPI	Consumer Price Index

Decision information

Key decision number	758
Wards affected	All
Links to Council Plan priorities	To provide value for money services.

Document information

Report author	Contact number/email
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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	

Annexes to the report	
Annexe 1	Budget summary by programme area
Annexe 2	Detailed estimates by programme area
Annexe 3	Subjective analysis
Annexe 4	Variances – this year’s original estimate to revised
Annexe 5	Variances – this year’s original estimate to next year’s