

For publication

Cabinet Member for Business Transformation Revenue Budgets 2017/18 to 2022/23

Meeting:	Cabinet
Date:	19 th December 2017
Cabinet portfolio:	Business Transformation
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 £451,030 a decrease of £45,690 or 9.2% on the Original Estimate of £496,720.

3.2 The main reasons for the budget decrease are summarised below:

Table 1 – Significant Variances Original to Probable 2017/18

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
Reduction in business rates	9
Reduction to renewals Contributions	(70)
Virement to Legal Re: Information Assurance Compliance	(5)
Reduced rent for New Square pending sale	16
Increased rents from Town Hall	(12)
Additional resources re: Apprenticeships	6
Energy Tender	4
Other variances (net)	(6)
Changes to controllable budgets	(58)
Change in support service recharges	18
Changes to Asset Charges	(6)
Overall decrease	(46)

A detailed list of variances is shown at **Annexe 4**.

4.0 Draft Estimates 2018/19

4.1 The draft estimates for 2018/19 total £507,190, an increase of £10,470 or 2.1% on the original estimates for 2017/18 of £496,720.

4.2 The most significant variances include:

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

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
Employee costs	107
Increase in Business Rates	12

Reduction in Premises repair fund contribution	(37)
Saving on Insurance premiums	(6)
Revenue Saving Re: Sale of New Square	(25)
Reduced Rental Income from New Square	48
Increased Rental Income from Town Hall	(54)
Removal of additional resource to deliver HR projects	(14)
Increase in Software Licence budget	14
Reduction in charge to HRA	27
PPP Inflationary increase	21
Other variances (net)	3
Changes to controllable budgets	96
Change in support service recharges	(148)
Changes in Asset Charges	62
Overall Increase	10

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

4.3 The following budget assumptions have been used to produce the draft budgets.

- Pay award of 2% for each of the years 2018/19 to 2022/23
- Inflation rates –
 - Utilities 3.5% in 2018/19 and then 3% 2019/20 onwards
 - General CPI 2.3% in 2018/19 and then 2% 2019/20 onwards
 - Rates 3.7% 2018/19 , 3.5% in 2019/2020 and then 3% 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.

5.0 Growth Requests

5.1 No growth request have been received at this time.

6.0 Medium Term Budget Issues

- 6.1 The forecast budgets for 2019/20 to 2022/23 have been included in annexes 1 to 3. Other than a provision for known inflationary pressures (paragraph 4.4), 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/CPI	Retail Price Index/Consumer Price Index

Decision information

Key decision number	759
Wards affected	All
Links to Council Plan priorities	To provide value for money services.

Document information

Report author		Contact number/email
Richard Staniforth		Ext. 5456
Sharon Holmes		Ext. 5455
Background documents		
These are unpublished works which have been relied on to a material extent when the report was prepared.		
<i>None.</i>		
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	