

For publication

**Cabinet Member for Governance Revenue Budgets
2017/18 to 2022/23**

Meeting:	Cabinet
Date:	19 th December 2017
Cabinet portfolio:	Governance
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 £2,715,510 an increase of £33,670 or 1.3% on the original estimate of £2,681,840.

3.2 The main reasons for the increase are summarised below:

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
General Employee Cost increase	23
Increase Mayoral chauffeuring duties	6
Re-structure in Legal Services	(12)
Increase in hours in Information Assurance (IA)	6
IIP accreditation	5
NCSC Project	25
Increased expenditure on IA	5
Reduced Court costs	(2)
Saving on Members telephony	(4)
Member individual DPA registration	1
Increased twinning costs	2
HRA recharge moved to non-controllable	73
Gov cyber security grant	(25)
Holmebrook by-election	5
Court summons/compensation income	6
Reduced internal audit charge	(9)
Other Minor Variations	2
Changes to controllable budgets	107
Changes to Asset Charges	0
Change in support services recharges	(73)
Overall increase	34

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 £2,758,190 an increase of £76,350 or 2.8% on the original estimates for 2017/18 of £2,681,840.

4.2 The most significant variances include:

**Table 2 – Significant Variances Original 17/18 to
Original 18/19**

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
Salary increases	45
Increase mayoral chauffeuring duties	6
Legal Service re-structure	(14)
Increase in hrs in Info Ass	6
Termination of FT contract in IA	(35)
Termination of fixed term grant	(5)
Increase in Members Allowances	9
Investors in People accreditation	5
Net decrease in supplies & services	(5)
HRA recharge moved to non-controllable	73
Decrease in Legal income	10
Reduced Internal Audit charge	(6)
Minor Variations	4
Changes to controllable budgets	93
Changes in Asset Charges	0
Change in support service recharges	(17)
Overall increase	76

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 18/19 to 22/23
- Inflation rates –
 - Utilities 3.5% in 18/19 & 3.0% for all future years
 - General CPI 2.3% in 2018/19 and then 2.0% 2019/20 onwards
 - Rates 3.7% in 2018/19 & 3.0% for all future years
 - Fees & Charges – minimum 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 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 <i>(delete table if not relevant)</i>	
RPI/CPI	Retail/Consumer Price Index

Decision information

Key decision number	761
Wards affected	All

Links to Council Plan priorities	To provide value for money services
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Document information

Report author	Contact number/email
David Corker	Ext 5596 david.corker@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</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