

For publication

**Cabinet Member for Homes & Customers
Revenue Budgets 2017/18 to 2022/23**

Meeting:	Cabinet
Date:	19 th December 2017
Cabinet portfolio:	Homes & Customers
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 £1,805,420, a decrease in the expenditure of £46,680 or 2.5% on the original estimate of £1,852,100.

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>	
Housing Benefits	(37)
Bank charges	(9)
Justice Clerks fees	(9)
Severn Trent Commission	18
PPP Costs	(12)
Government Grants	(155)
Private Drain clearing	9
Other Minor Variations	(5)
Changes to controllable budgets	(200)
Change in support service recharges	(2)
Change in Asset Charges	155
Overall decrease in expenditure	(47)

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 £1,920,230 an increase in expenditure of £68,130 or 3.7% on the original estimate for 2017/18 of £1,852,100.

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>	
PPP Costs	36
Housing Benefits	(25)

Private Drain clearing	9
NNDR	(7)
Bank Charges	(7)
Justine Clerks fees	(9)
Severn Trent Commission	82
Net of Minor Variations	2
Changes to controllable budgets	81
Change in support service recharges	(18)
Change in Asset Charges	5
Overall decrease in expenditure	68

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

4.3 The following budget assumptions have been used to produce the draft Cabinet Member for Homes & Customers.

- Pay award of 2% for all years.
- Inflation rates –
 - 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.

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.
- 9.3 That the Growth request 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
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Decision information

Key decision number	763
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
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