

FOR PUBLICATION

**LEADER & CABINET MEMBER FOR REGENERATION REVENUE
BUDGET 2015/16 – 2020/21**

MEETING: (1) CABINET
(2) LEADER & CABINET MEMBER FOR REGENERATION

DATE: (1) 15 DECEMBER 2015
(2) 4 DECEMBER 2015

REPORT BY: CHIEF FINANCE OFFICER

WARD: All

COMMUNITY FORUM: All

KEY DECISION NUMBER **567**

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BACKGROUND PAPERS: Budget Working Papers, Accountancy Section.

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 2016/17 and future years.

2.0 RECOMMENDATIONS

- 2.1 That the probable outturn for the current financial year be considered.
- 2.2 That the draft estimates for 2016/17 and future years be considered.

3.0 INFORMATION INCLUDED

3.1 This is the first draft budget for this portfolio.

3.2 The following information is attached:

Annexe 1 Budget Summary by Programme Area.

Annexe 2 Detailed Estimates by Programme Area & Cost Centre.

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.

4.0 PROBABLE 2015/16

4.1 The Probable Outturn for the current financial year is £484,460 a decrease of £11,540 on the Original Estimate.

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

Table 1 – Significant Variances Original to Probable 2015/16

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
New Post – Digital Content Editor (*)	18
Vacant Post (Temporary) Economic Development	(2)
Changes to controllable budgets	16
Change in support service recharges	(28)
Overall Decrease	(12)

(*) The Digital Content Editor post will be financed by a contribution from the Budget Risk Reserve as approved by full Council on the 22nd July 2015.

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

5.0 DRAFT ESTIMATES 2016/17

5.1 The draft estimates for 2016/17 total £602,740 an increase of £106,740 or 21.5% on the original estimates for 2015/16.

5.2 The most significant variances include:

Table 2 – Significant Variances Original 15/16 to Original 16/17

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
New Post – Digital Content Editor	36
Employee Costs (Including Pay Inflation / Increments and Employers NI)	18
Increased Contribution to Sheffield City Region LEP	16
End of Working Neighbourhood Fund Contributions	75
Other Changes (net)	(1)
Changes to controllable budgets	144
Change in support service recharges	(37)
Overall Increase	107

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

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

- Pay award of 1% each year from 15/16 to 19/20
- Inflation rates –
 - General CPI 1% for 2016/17 and 2% for future years
 - General RPI 2% for 2016/17 and 3% for future years

5.4 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.

6.0 GROWTH REQUESTS

6.1 There are no growth requests for this portfolio.

7.0 MEDIUM TERM BUDGET ISSUES

7.1 Forecast budgets for 2017/18 to 2020/21 have been included in Annexes 1 to 3. Other than a provision for known inflationary pressures no other changes have been built into the budgets.

8.0 RISK MANAGEMENT

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

9.0 EQUALITIES IMPACT ASSESSMENT (EIA)

9.1 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.

10.0 RESOURCE IMPLICATIONS

10.1 In writing this report the following standard corporate issues have been considered. The financial implications are covered in Sections 4 to 7 above.

11.0 RECOMMENDATIONS

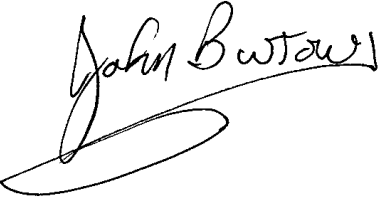
- 11.1 That the probable outturn for the current financial year be considered.
- 11.2 That the draft estimates for 2016/17 and future years be considered.

12.0 REASONS FOR RECOMMENDATION

12.1 To enable the Council to set a balanced budget for 2016/17.

**B DAWSON
HEAD OF FINANCE**

Officer recommendation supported.



Signed:

Cabinet Member

Date: 4 December, 2015

Further information on this report can be obtained from
Richard Staniforth, Accountancy Services (ext. 5456)