

FOR PUBLICATION

DEPUTY LEADER & CABINET MEMBER FOR PLANNING
REVENUE BUDGET 2015/16 – 2020/21

MEETING: (1) CABINET
(2) DEPUTY LEADER & CABINET MEMBER FOR PLANNING

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

REPORT BY: CHIEF FINANCE OFFICER

WARD: All

COMMUNITY FORUM: All

NON KEY DECISION NUMBER 568

FOR PUBLICATION

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 £434,930 a decrease in the expenditure of (£330,460) or (43.2%) on the Original Estimate.

4.2 The main reasons for the decreases are summarised below:

**Table 1 – Significant Variances Original to Probable
2015/16**

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
General Employee Savings	(44)
Energy, Water & NNDR	(20)
Insurances	(8)
Approved c/fwd – professional services	14
LDF contribution to reserve - suspended	(35)
THI – net revenue contribution	(65)
Supplies & Services	8
Contracted Services	(2)
Planning Application Income	(181)
Mentor Licences	18
VAT Advice	7
BCN Consortium – contribution to GF	(14)
External Audit Fee	(20)
Industrial Units & Workshops Rents & SC	(14)
Industrial Units & Workshops Profit Share	8
Industrial Units Workshops Recharges	(22)
Innovation Centre – Recharges & Rentals	(19)
Changes to controllable budgets	(389)

Changes to Asset Charges	168
Grant towards capital charges	(147)
Change in support service recharges	38
Overall decrease in expenditure	(330)

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 is £634,520 a decrease in expenditure of (£130,870) or (17.1%) 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>	
General Employee incl Pay Inflation & NI incr	182
External Audit Fee	(20)
Insurances	(7)
Energy NNDR & Water	(13)
LDF contribution to reserves - suspended	(35)
Centralisation of software licences	(43)
CIL – 5% Admin Fee	(50)
Planning Application Income	(133)
BCN Consortium – contribution to GF	(26)
Industrial Units & Workshops Rent/Recharge	(34)
Industrial Units & Workshops Profit Share	4
Innovation Centre – Recharges & Rentals	(20)
Payments to Arvato/Kier	9
Other Minor Variations	18
Changes to controllable budgets	(168)
Changes in Asset Charges	4
Grant towards capital charges	0
Change in support service recharges	34
Overall decrease in expenditure	(130)

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% for all years.
- Inflation rates –
 - General CPI 1.0% in 2016/17 & 2.0% for all other years
 - General RPI 2.0% in 2016/17 & 3.0% for all other years

5.4 In addition, the controllable draft estimate for 2016/17 is £1,633,600 a decrease in expenditure of (£168,320) (9.3%) on the original controllable budget estimate 2015/16.

5.5 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 Any growth requests will be considered at the budget setting meeting in February 2016.

7.0 MEDIUM TERM BUDGET ISSUES

7.1 Forecast budgets for 2017/18, 2018/19, 2019/20 & 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.

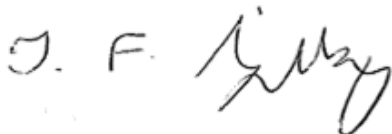
12.0 REASONS FOR RECOMMENDATION

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

B DAWSON
CHIEF FINANCE OFFICER

Officer recommendation supported/not supported/modified as below or Executive Members recommendation/comments if no officer recommendation.

Signed



Cabinet Member

Date: 4 December, 2015

Further information on this report can be obtained from
Linda Coupe, Accountancy Services (ext. 2008)