

FOR PUBLICATION

CABINET MEMBER FOR GOVERNANCE
REVENUE BUDGET 2015/16 – 2020/21

MEETING: (1) CABINET
(2) CABINET MEMBER FOR GOVERNANCE

DATE: (1) 15 DECEMBER 2015
(2) 7 DECEMBER 2015

REPORT BY: CHIEF FINANCE OFFICER

WARD: All

COMMUNITY FORUM: All

KEY DECISION NUMBER 570

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 £2,598,530 an increase of £51,970 or 2.0% on the Original Estimate.

4.2 The main reasons for the increase are summarised below:

Description	Increase / (Decrease) £'000	Funded from Reserves
<u>Changes to controllable budgets:</u>		
General Employee Cost increase	14	
Removal of Members Superann	(15)	
Increase in training costs	3	
Senior Leadership Team recruitment	20	
Investors in People assessment	7	
Alderman ceremonies	4	
Reduced take up of Community Assembly grants	(6)	
Election underspend c/fwd from 14/15	6	
Reduction in equalities initiatives	(2)	
Upgrade of IT System in Legal Services	6	
Net reduction in Legal Services income	(9)	
Members Independent Remuneration Panel	4	
Savings on Utility charges & NNDR	(29)	
Revised income from Town Hall	10	
Reduced Twinning activities	(3)	
Other Minor Variations	2	
Changes to controllable budgets	12	
Changes to Asset Charges	63	
Change in support service recharges	(23)	
Overall increase	52	

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

4.3 Included in the above table is a carry forward of £5,700 for the Council election expenses.

5.0 DRAFT ESTIMATES 2016/17

5.1 The draft estimates for 2016/17 total £2,600,580 an increase of £54,020 or 2.1% 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>	
Salary increases	61
Removal of Members Superann	(15)
Centralisation of software costs (inc in support services recharges)	(42)
Removal of Borough election budget	(75)
Reduction in equalities activities	(2)
Decrease in Legal Services income	22
Increase in Members Allowances	4
Reduction in Utilities/NNDR	(22)
Increase income from cleaning contract	(3)
Net increase in supplies & services	10
Reduced Printing Income	
Reduction in Electoral Registration budget	
Costs for 2015/16 Local Elections	
Savings on Mayoral Car	
Minor Variations	1
Changes to controllable budgets	(61)
Changes in Asset Charges	63
Change in support service recharges	52
Overall increase	54

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

The majority of the decrease in controllable budgets (£61k) is due to:

- Centralisation of software budgets (£42k) which are now included in support services recharges
- Removal of the local elections budget (£75k)

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 No provision has been made for implementing the recommendations in the Independent Remuneration Panel's report on Members' Allowances.

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 MEDIUM TERM BUDGET ISSUES

6.1 Forecast budgets for 2017/18 to 2020/21 have been included in Annexes 1 to 3.

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 RESOURCE IMPLICATIONS

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

10.0 RECOMMENDATIONS

10.1 That the probable outturn for the current financial year be considered.

10.2 That the draft estimates for 2016/17 and future years be considered.

11.0 REASONS FOR RECOMMENDATION

11.1 To enable the Council to set a balanced budget for 2016/17 and future years.

**B DAWSON
CHIEF FINANCE OFFICE**

Officer recommendation supported.

Signed
S.L. Blank.
Cabinet Member

Date: 7 December, 2015

Further information on this report can be obtained from
David Corker, Accountancy Services (ext. 2010)