

**FOR PUBLICATION**

**DEPUTY LEADER & EXECUTIVE MEMBER FOR PLANNING**  
**REVENUE BUDGET 2014/15 – 2019/20 (J000)**

---

**MEETING:** (1) CABINET  
(2) LEADER IN THE ABSENCE OF DEPUTY  
LEADER & EXECUTIVE MEMBER FOR  
PLANNING

**DATE:** (1) 16 DECEMBER 2014  
(2) 4 DECEMBER 2014

**REPORT BY:** CHIEF FINANCE OFFICER

**WARD:** All

**COMMUNITY FORUM:** All

**KEY DECISION  
NUMBER** 459

---

**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 2015/16 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 2015/16 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 2014/15

- 4.1 The Probable Outturn for the current financial year is (£1,243,820) a decrease in the surplus of £36,010 on the Original Estimate.
- 4.2 The main reasons for the surplus decrease are summarised below:

**Table 1 – Significant Variances Original to Probable  
2014/15**

<b>Description</b>	<b>Increase / (Decrease) £'000</b>
<u>Changes to controllable budgets:</u>	
General Employee Savings	(43)
Contributions to Procurement Staffing & Support Services Secondments	(27)
Project Academy – from reserves	30
Redundancy Payments	7
Car Allowances	(18)
Energy, Water & NNDR	(12)
Insurance	(20)
Rent at Whitting Valley Rd	(8)
General Repairs & Equipment	17
Lean Review	15
Covenant at former ABC Cinema	(45)

Planning Inquiry & Goldminers Appeal	22
Reduced Estates Income & rental loss on sale of Marsden St Car Park	29
Planning Application Income	(78)
Vicar Lane Rents & Serv Chrges	26
Town Centre Rents & Serv Chrg	23
BCN Consortium – contribution to GF	(14)
Payments to Arvato/Kier	(7)
Reduced Ind Units & Wkshops Rents & SC	77
Industrial Units & Workshops Profit Share	(12)
Kier Core & Non Core Services	(44)
Kier Change of Control on Drain Clearing	9
Other Minor Variations	(4)
Changes to controllable budgets	(77)
Changes to Asset Charges	25
Grant towards capital charges	(41)
Change in support service recharges	129
Overall decrease in surplus	36

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

## 5.0 DRAFT ESTIMATES 2015/16

5.1 The draft estimates for 2015/16 is (£1,323,940) an increase in surplus of £44,110 or 3.4% on the original estimates for 2014/15.

5.2 The most significant variances include:

**Table 2 – Significant Variances Original 14/15 to Original 15/16**

<b>Description</b>	<b>Increase / (Decrease) £'000</b>
<u>Changes to controllable budgets:</u>	
General Employee Savings incl Pay Award	(102)
Business Transformation Restructure	17
Project Academy – from reserves	36
Car Allowances	(16)
Insurances	(23)
Energy & Water – incl inflation & excl Pvts	(5)
Rents & NNDR excl Pavements	(12)
General Repairs, Services & Equipment	11

Rent at Whitting Valley Rd	(8)
Kier Core & Non Core Services	(44)
Kier Change of Control on Drain Clearing	5
BCN Consortium – contribution to GF	(14)
Town Centre Rents & Service Charges	26
Industrial Units & Workshops Rent/Recharge	(27)
Industrial Units & Workshops Profit Share	(8)
Reduced Estates Income & rental loss on sale of Marsden St Car Park	29
Payments to Arvato/Kier	2
Other Minor Variations	(5)
Changes to controllable budgets	(138)
Changes in Asset Charges	231
Grant towards capital charges	(210)
Change in support service recharges	73
Overall increase in surplus	(44)

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 –
  - 7.5% on Gas and Electricity for all years
  - 2.0% on Water Charges for all years
  - General CPI 2.0% & RPI 3% for all years
  - Rates 3.0% for all years

5.4 In addition, the controllable draft estimate for 2015/16 is (£2,554,120) an increase in surplus of (£348,560) (15.8%) on the original controllable budget estimate 2014/15.

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 2015.

## **7.0 MEDIUM TERM BUDGET ISSUES**

7.1 Forecast budgets for 2016/17, 2017/18, 2018/19 & 2019/20 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. The key budget risks/opportunities for the portfolio are listed below:

- Void rents & National Non-Domestic Rates (NNDR) on Industrial Units and Town Centre Properties due to the current economic climate
- Increases in utility charges

## **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 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.

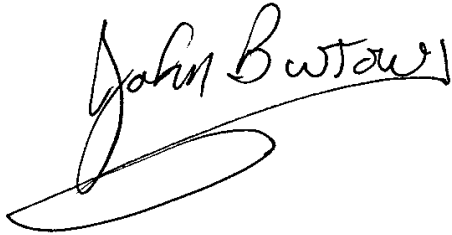
11.2 That the draft estimates for 2015/16 and future years be considered.

## 12.0 REASON FOR RECOMMENDATIONS

12.1 To enable the Council to set a balanced budget for 2015/16.

**B DAWSON**  
**CHIEF FINANCE OFFICER**

Officer recommendation supported.

A handwritten signature in black ink, appearing to read "John Burtow". The signature is written in a cursive style with a large, sweeping underline.

Signed

Executive Member

Date 4.12.2014

Consultee Executive Member/Support Member comments (if applicable)/declaration of interests:

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