

**FOR PUBLICATION**

**EXECUTIVE MEMBER FOR ENVIRONMENT REVENUE BUDGET**  
**2014/15 – 2015/16 (E000)**

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**MEETING:** (1) CABINET  
(2) EXECUTIVE MEMBER FOR ENVIRONMENT

**DATE:** (1) 16 December, 2014  
(2) 9 December, 2014

**REPORT BY:** CHIEF FINANCE OFFICER

**WARD:** All

**COMMUNITY FORUM:** All

**KEY DECISION  
REFERENCE** 461

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**FOR PUBLICATION**

**BACKGROUND PAPERS:** Budget Working Papers, Accountancy Section.

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**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 Overall Probable Outturn for the current financial year is £5,068,390 a decrease of £199,720, or 3.8% on the Original Estimate.

The Controllable (excludes asset charges and internal recharges) Probable Outturn is £3,544,870 a decrease of £127,860 (3.5%) on the Original Controllable budget estimate.

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

<b>Table 1 – Significant Variances Original to Probable 2014/15</b>	
<b>Description</b>	<b>Increase / (Decrease) £'000</b>
Employees	
- Staff Costs	(15)
- Staff Vacancy - Parks	(12)
- Redundancy Pay	47
- Redundant Post	(34)
Premises	
- Car Parks	
- NNDR & Rents – Car Parks	(139)
- Parks	
- General Repairs	29
- Energy, Water & NNDR	(35)
Transport	
- Car Allowances	(14)
Supplies & Services	
- DCC Charge re Refuse Disposal	(21)
- Outdoor Gym Equipment	21
Agency	
- Street Cleaning Recharges	19
- Grounds Maintenance - Cont. Services – Agreed Reductn	(35)

- Parks Security Services	(31)
- Amenity Maintenance Highways	(11)
Income	
- Recycling Credit	(15)
- Commercial Waste Charges	35
- Bereavement	15
- Licences	60
- Car Parks	45
- Parks & Open Spaces – Outdoor Gym	(21)
Miscellaneous Changes	(16)
<b>Total Controllable</b>	<b>(128)</b>
Central & Departmental Support	(21)
Asset Charges	(22)
Carry Forward 13/14	(29)
<b>Overall Increase/(Decrease)</b>	<b>(200)</b>

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 total £5,292,220 an increase of £24,110 or 0.5% on the original estimates for 2014/15.
- 5.2 The Controllable (excludes asset charges and internal recharges) draft estimates for 2015/16 is £3,660,100 a decrease of £12,630 (3.4%) on the Original Controllable budget estimate.
- 5.3 The most significant variances include:

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

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
Employees	
- Staff Costs	18
- Redundant Post	(71)
- Staff changes – Car Parks	(40)
- Agency Staff – Amenity Maintenance	(44)
Premises	
- NNDR & Rents – Car Parks	(28)

- Parks	(13)
Transport	
- Car Allowances	(14)
Agency	
- Refuse Collection Contract Inflation	95
- Street Cleaning Recharges	(36)
- Grounds Maintenance Parks - Annual Indexation	14
- Parks	(32)
- Bereavement Contracted Services	(33)
Income	
- Recycling Credit	(15)
- Charges re Commercial\Industrial Waste	35
-Highways Agency Agreement	
- Street Cleaning	64
- Parks & Open Spaces	25
- Licence Fees	50
- Car Parks	(18)
- Bereavement Fees & Charges	15
Miscellaneous Changes	15
<b>Total Controllable</b>	<b>(13)</b>
Central & Departmental Support	67
Asset Charges	(30)
<b>Overall Increase/(Decrease)</b>	<b>24</b>

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

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

- Pay awards of 1% for all years
- Inflation rates –
  - 7.5% Gas & Electricity for all years
  - General CPI 2.0% for all years
  - Rates 3% for all years
  - Fees & Charges – minimum of 3%

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 to 2019/20 have been included in annexes 1 to 3. Other than a provision for known inflationary pressures, there are no other issues to report.

## **8.0 RISK MANAGEMENT**

8.1 A budget risk analysis will be included in the final budget report to the Cabinet and Council in February.

## **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 REASONS 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 'B Dawson', with a large loop at the end of the last name.

Signed

Executive Member

Date 9.12.2014

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

Further information on this report can be obtained from  
Jennifer Kendall, Accountancy Services (ext. 2009)