

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Budget Update
Meeting/Date:	Cabinet – 12 December 2013
Executive Portfolio:	Resources
Report by:	Assistant Director (Finance and Resources)
Wards affected:	All

Executive Summary:

The Government's Autumn Statement is planned for the 4th December with the Local Government draft settlement expected one or two weeks later. The settlement is expected to clarify the:

- Level of Formula Grant (RSG) for 2014/15
- Any changes to the financial impact of Business Rates
- The criteria for determining an excessive Council Tax increase, including the changes in relation to the precepts from Internal Drainage Boards.

It should also provide at least some indications for the anticipated higher funding losses in 2015/16 which include the proposed reduction in New Homes Bonus.

Cabinet will also be conscious that the Facing the Future process is only partially complete with proposals for both straightforward and more difficult potential savings emerging each week.

Other key data, such as the financial impact of the pay review, will not be available and the new pension contribution rates, relating to the 3 yearly revaluation of the pension fund, may not be available.

In these circumstances there seems little point in preparing a draft budget at this stage.

This report therefore comprises of a set of annexes that itemise proposed variations to be included in the new budget and MTP.:

- Any base budget issues that need to be addressed
- Progress in achieving any savings which are part of the approved MTP and any variations required.
- Progress in achieving any "targeted" savings and any variations required.
- Extra savings proposals that it is proposed to include at this stage because they have no or minimal impact on service levels and would be straightforward to implement.
- Proposals for increasing the budget for specific projects or purposes e.g. to include provision in the new year 5 (2019/20) for Disabled Facilities Grants.
- Schemes where rephasing is unavoidable or proposed.
- Technical items

Within the annexs the items are colour coded as follows:

Green	Additional savings (extra income or reduced cost)
Red	Extra cost (or reduced income)
Grey	Rephasing
Blue	Transfers
Brown	Revenue to Capital
Beige	Net Nil / Invest to Save

The tables below summarise the position shown in these annexs:

Annex	REVENUE Variation type	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
A	Base	-13	393	282	223	241	245
B	Base savings	371	108	116	111	76	152
C	Targeted savings	-333	-1,313	-1,652	-1,813	-1,841	-1,841
D	Additional savings	-176	-249	-256	-212	-211	-209
E	Proposed increases	66	86	142	148	64	36
F	Rephasing	-471	509	42	47	29	29
G	Technical	-395	-253	-206	-206	-206	-206
	Other Forecast Savings	-935					
	TOTAL #	-1,886	-719	-1,532	-1,702	-1,848	-1,794

Note # - Revenue table does not include the revenue effect of variations in capital expenditure.

REVENUE SAVINGS	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
From September Forecast Report						
Targeted		-1,377	-1,852	-2,050	-2,090	-2,090
Unidentified		-138	-2,620	-2,948	-3,181	-3,694
total		-1,515	-4,472	-4,998	-5,271	-5,784
% of Budget		6.4%	18.4%	20.0%	19.9%	20.7%
Identified so far (from above)	-1,886	-719	-1,532	-1,702	-1,848	-1,794
Still required		-796	-2,940	-3,296	-3,423	-3,990
% of Budget		3.4%	12.1%	13.2	13.0	14.3

Warning: the above table should be treated as indicative at this stage as adjustments have not yet been made for interest rates, inflation, revenue impact of capital, risk provision etc.

Annex	NET CAPITAL Variation type	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
A	Base	-93	-40	-40	-70	10	10
B	Base savings	406	-64	0	0	-44	45
C	Targeted savings	0	2	2	150	65	0
D	Additional savings	0	0	0	0	0	0
E	Proposed increases	172	1,290	-352	176	222	2,834
F	Rephasing	618	699	-480	-183	-218	-33
G	Technical	380	47	0	0	0	0
	Less 2018/19 Provision						-3,347
	Additional Carry forward from 2012/13	-707					
	TOTAL	776	1,934	-870	73	35	-491

Cabinet are asked to consider these annexs and determine if there is any item(s) that they consider should not be included when the budget/MTP is produced in January.

A briefing paper will be circulated to all Members soon after the Local Government draft settlement is received.

The search for sufficient savings will need to continue into next year. Cabinet will receive a report following Overview and Scrutiny consideration of the Facing The Future templates and will then determine those areas which are a priority for investigation. The process will then need to be dynamic with any further proposals receiving appropriate priority, whilst less practical proposals are removed, until a robust programme has been confirmed that should, at least, allow the necessary 2015/16 savings to be realistically achieved.

RECOMMENDATIONS:

That Cabinet:

- **Determine whether there are any items contained in the annexs to this report that should not be included in the February Budget and MTP proposals.**
- **Determine whether there are any additional items that should be included in the February Budget and MTP proposals.**
- **Note that a briefing note will be distributed once the Local Government draft settlement is received.**

BACKGROUND PAPERS

Financial Forecast Report
Working Papers in Financial Services

CONTACT OFFICERS

Steve Couper Assistant Director (Finance and Resources)

☎ 01480 388103

Clive Mason Accountancy Manager

☎ 01480 388157

ANNEXS

- A** Base budget proposed variations
- B** Base saving progress/proposed variations
- C** Targeted savings progress/proposed variations
- D** Proposed additional savings items
- E** Proposed increases
- F** Proposed rephrasing
- G** Technical
- H** Totals

ANNEX A - BASE budget proposed variations

Bid No.	Scheme	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS								
		F'CAST	MTP					F'CAST	MTP					F'CAST	MTP							
			2013	2014	2015	2016	2017		2018	2013	2014	2015	2016		2017	2018	2013	2014	2015	2016	2017	2018
			£000	£000	£000	£000	£000		£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
Managing Directors and Corporate Office																						
	HR & Payroll																					
1048	Re-alignment of Commercial Estates Budget	116	111	106	101	101	101															
Head of Legal & Democratic Services																						
	Environmental Health (Licensing)																					
SAVING	Regulatory Limitation on price increases		19	19	19	19	19															
	Democratic Representation																					
825	Members Allowances Review																		4			
380	Replacement Printing Equip.							-45				-30										
Head of Operations																						
	Refuse and Recycling																					
1052	Bulky refuse income and expenditure	20	20	20	20	20	20															
969	Recycling Gate Fees	-11	-9																			
	Community Safety																					
1023	Wireless CCTV		30	30	30	30	30	40														
	Car Parks																					
SAVING	Increase in Car Park Charges		16																			
Head of Planning Services																						
	Planning Policy and Conservation																					
358	Ramsey Rural Renewal	-5	-3					-63														
903	Local Development Framework (Plan Policies) examinations	-217	105	49																		
	Private Housing Support																					
932	Decent Homes - Thermal Efficiency and Category 1 H&S							-25	-40	-40	-40	10	10									
Head of Environmental Management																						
	Building Control																					
1086	Building Control Income	60	60	60	60	60	60															
	Environmental Health (Energy Efficiency)																					
918A	Building Effic. Imps (Potential LC proportion)	-10	-28	-42	-47	-29	-29															
Head of Customer Services																						
	Homelessness																					
1019	Homeless Accommodation - Cost Reduction Schemes		32																			
Head of Financial Services																						
	Other Expenditure																					
1077	Insurance Premium Income	28	34	34	34	34	34															
1101	Removal of Credit Interest Budget	6	6	6	6	6	6															
Total BASE budget proposed variations		-13	393	282	223	241	245	-93	-40	-40	-70	10	10	0	0	0	0	0	0			

ANNEX E - New Extra Costs

Bid No.	Scheme	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
		F'CAST	MTP					F'CAST	MTP					F'CAST	MTP				
		2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000
Head of Legal & Democratic Services																			
	Democratic Representation																		
1041	Individual Electoral Registration (IER)	8	3	5	18	20	20												
Head of Operations																			
	Refuse and Recycling																		
979	Wheeled Bins for New Properties	-3	-4	-10	-17	-28	-31	-36	255	135	130	110	55		-139	-79	-65	-55	
1031	Extra refuse round due to housing growth											10							
	Parks and Open Spaces																		
854EY	Play Equipment & Safety Surface Renewal												21						
	Car Parks																		
1055	Christmas Parking	13																	
	Vehicles and Plant																		
886	Vehicle fleet replacements.							97	130	8	41	97							
886EY	Vehicle fleet replacements.												408						
Head of Planning Services																			
	Development Management																		
1072	Wyton Airfield Development		50	75	75														
	Car Parks																		
923	Extra Car Parking, Huntingdon Town Centre		-10	-10	-10	-10	-10	787	500	-500					-500	500			
	Private Housing Support																		
866	Disabled Facilities Grants							-507	200			1,250	57					400	
867	Repairs Assistance	10						70				100							
Head of Customer Services																			
	Local Taxation and Benefits																		
1100	Loss of Admin Subsidy		50	50	50	50	50												
Head of IMD																			
	Business Analysis and Project Management																		
891	Business Systems							34	5	5	5	5	200						
General Manager, OneLeisure																			
	Leisure Centres																		
861	Future maintenance	20						7				550							
896	St Ivo LC - Football Improvements												27		53			-53	
956	Replacement Fitness Equipment	18	-3	32	32	32	7	-280	200			250							
Total New Extra Costs		66	86	142	148	64	36	172	1,290	-352	176	222	2,834	57	-612	421	-12	-55	347

Note

MTP 923 It should be noted that for the Net Capital amount there was a £0.418m reduction in spend in 2013/14.
MTP 1072 There is the potential for future developer contributions to negate part or all of this growth, but at this time the level of contribution is not known.

ANNEX F - Rephasing

Bid No.	Scheme	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS											
		F'CAST	MTP					F'CAST	MTP					F'CAST	MTP										
		2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	2019					
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000					
Head of Legal & Democratic Services																									
	Document Centre																								
894	Replacement Equipment Document Centre							-34	22	-12	2	25	12												
895	Multi-functional Devices							-80	80			-80	80												
Head of Environmental and Community Services																									
	Community Initiatives																								
952	Loves Farm Community Centre							-60	37																
Head of Operations																									
	Refuse and Recycling																								
948	Provision for Bin Replacements							-9	-6	-6	0	0	75												
	Pool Cars																								
1026	Pool Cars							60																	
Head of Planning Services																									
	Development Management																								
997	RAF Alconbury Development							-75	75																
	Economic Development																								
224	Town Centre Developments							-86	86																
401	Huntingdon Town Centre Development							10																	
850	Huntingdon West Development (Housing Growth Fund)							-23	941	-200	-55	-200	-200	-5338	-300	200	200	200	200	200					
	Private Housing Support																								
869	Social Housing Grant							2																	
Head of Environmental Management																									
	Environmental Health (Energy Efficiency)																								
879	Environment Strategy Funding							3	50																
880	Sustainable Homes Retrofit							415		-180	-235			-415		180	235								
918	Building Efficiency Improvements (Salix Grant)							10	28	42	47	29	29	-27	-45	-36	5	37							
	Environmental Improvements																								
1011	Chequers Court Public Realm													-240	-258	498									
	Offices																								
890	Headquarters							420	-300	-120				-420	300	120									
Head of Customer Services																									
	Local Taxation and Benefits																								
1017	Council Tax support module							35																	
Head of Financial Services																									
	Other Expenditure																								
	Pay Protection Contingency							-320	320																
Total Rephasing								-471	509	42	47	29	29	618	699	-480	-183	-218	-33	-6,413	-258	998	435	200	200

ANNEX H - Summary of Variations for 2014/15 Budget

	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	F'CAST	MTP					F'CAST	MTP					F'CAST	MTP					
	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	
	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
ANNEX A - BASE budget proposed variations	-13	393	282	223	241	245	-93	-40	-40	-70	10	10	0	0	0	0	0	0	0
ANNEX B - BASE saving progress/proposed variations	371	108	116	111	76	152	406	-64	0	0	-44	45	-168	0	0	0	0	0	0
ANNEX C - Targeted Savings	-333	-1,313	-1,652	-1,813	-1,841	-1,841	0	2	2	150	65	0	0	0	0	0	0	0	0
ANNEX D - Proposed additional savings	-176	-249	-256	-212	-211	-209	0	0	0	0	0	0	0	0	0	0	0	0	0
ANNEX E - New Extra Costs	66	86	142	148	64	36	172	1,290	-352	176	222	2,834	57	-612	421	-12	-55	347	
ANNEX F - Rephasing	-471	509	42	47	29	29	618	699	-480	-183	-218	-33	-6,413	-258	998	435	200	200	
ANNEX G - Technical and Other	-395	-253	-206	-206	-206	-206	380	47	0	0	0	0	0	0	0	0	0	0	0
Other Forecast savings	-935																		
less 2018/19 Capital Provision												-3,347							
less Additional Carry-Forward from 2012/13							-707												
Total	-1,886	-719	-1,532	-1,702	-1,848	-1,794	776	1,934	-870	73	35	-491	-6,524	-870	1,419	423	145	547	